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# IT SERVICE CONSOLIDATION REVIEW

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COMMITTEE REPORT  
August 16, 2005

## **I. BACKGROUND**

The Service Consolidation Review Committee is an outgrowth of a number of overlapping influences including: discussions at Governor Lynch's April 1, 2005 meeting with Department Heads about IT-related concerns; findings and recommendations in the April 2005 Taylor-Herr Report on IT Management and Service; and, efforts of the Information Technology Council, which was established by RSA 4-D:4, directed toward preparation of a strategic Information Technology Plan. The Review Committee was created by the IT Council at its May 17, 2005 meeting and charged with submitting a Committee Report identifying whether, from the perspectives of Department Heads, aspects of consolidation were not working and, if not, making recommendations on how to remedy any shortcomings. The Review Committee's Report will be an input to the IT Council's larger effort to construct a strategic Information Technology Plan.

There are two important contextual issues that frame the Report and provide a fuller understanding of the Review Committee's efforts. First, the Review Committee proceeded from the premise, aptly described in the Taylor-Herr Report, that consolidation was executed prematurely and without sufficient planning, which resulted in various inefficiencies and dislocations. Taking that lesson to heart and hoping to avoid similar missteps, the Review Committee determined to take a measured approach and restrict its efforts, in the limited time allotted, to identifying the main themes or principles expressed by Department Heads and, to the extent possible, offering a small set of concrete, actionable recommendations.

An obvious implication of this approach is that it does not entail an in-depth cost-benefit type analysis of consolidation generally but accepts the underlying position of the

Taylor-Herr Report that there are benefits to be gained from a properly implemented consolidation. As a result, the Review Committee has operated with a narrow and practical mindset.

Second, the Review Committee Report focuses on the actual concerns expressed by Department Heads and, where the concerns are concluded to be both well-founded and resolvable, it makes specific recommendations to fix the problem or identifies the area for further attention. The Report is not intended to be a comprehensive review of the merits and demerits of consolidation as conceived, executed or operated. Accordingly, the absence of discussions about areas of consolidation that are working well should not be read as a lack of appreciation for the hard work and many accomplishments of OIT personnel.

## **II. PROCESS**

On June 6, 2005, the Review Committee solicited the input of Department Heads regarding their views as to the effects of IT consolidation on their agencies. The e-mail, which is appended as Attachment 1, explained the genesis of the Review Committee and sought descriptions of IT issues related to consolidation that managers found not to be functioning effectively.

Responses were requested by June 17, 2005, and they are included as Attachment 2. (Several agencies responded orally and their views were entirely consistent with the written responses.) The Review Committee met initially on June 22, 2005, to review the agency responses and to establish the process and timetable for completing its report. Subsequent meetings were held on June 23, July 7, and July 20. The Review Committee was co-chaired by Thomas Getz, Chairman of the Public Utilities Commission, and Peter

Croteau, Director of the Agency Software Division of OIT. Membership of the Review Committee included representatives of the statutory member agencies of the IT Council as well representatives of selected medium and small size agencies. The Review Committee was also assisted in its efforts by managers of the various divisions of OIT, who were instrumental in providing additional background information and advice to the Review Committee. See Attachment 3 for Review Committee membership and OIT representation.

After collecting the information from the agencies, the next step of the Review Committee was to catalogue and analyze the information in order to discern the major and minor themes sounded by managers. A high altitude view of the responses reveals two dominant concerns. First, managers indicated that costs have increased and they are concerned about costs both from the bottom line perspective of increased budgets and from the perspective of being able to accurately track and document charges. Second, managers are concerned that they lack effective control of their business processes, which was most commonly expressed in regard to the roles of applications personnel and the administration of the purchasing function.

The Review Committee determined as a preliminary screening measure that the broader cost issue related to increased budgets was so closely interwoven with the overall consolidation decision that it was beyond its scope, resources and time allotment to consider and, in fact, was being looked at by the Senate Finance Committee. Similarly, the Review Committee concluded that a call by some Department Heads to return their respective agencies completely to the pre-consolidation status quo was likewise beyond the scope of the Committee's charter.

The Review Committee also determined that more broadly stated and generalized comments expressed by Department Heads relating to, for instance, the need for improved communications by and with OIT, or more timely responses from OIT, would be difficult to address in this limited inquiry. Nevertheless, some more specific communications-related comments are addressed where appropriate. In general, however, the hope of the Review Committee is that this very effort is an expression of improving communications and that the recommendations will contribute to more timely OIT responses.

### **III. ANALYSIS AND RECOMMENDATIONS**

The Review Committee found that the agency responses revealed addressable concerns in the following areas, namely: A.) Staff Alignment, which includes as subsets, General Support Personnel and Applications Personnel; B.) Purchasing/Procurement, which includes as subsets, Purchase Threshold, Procurement Process, and RFP Administration; C.) Invoicing; and, D.) Integration/Coordination. Each area will be discussed below. A synopsis of representative comments by the agencies in each area is included as Attachment 4 in the form of individual work sheets, which provided the bases for the Review Committee's deliberations. The Review Committee also makes a recommendation in each area using the construct from the June 6 e-mail to Department Heads, that is: rectify within the existing framework; return to agency control; or, address through another structural or organizational mechanism.

## **A. STAFF ALIGNMENT**

Department Heads made a variety of comments that can fairly be characterized as relating to, first, general support personnel and, second, applications and other mission critical personnel. For purposes of this Report, the first category basically encompasses, within OIT, the Office of the CIO, Technical Support Services, Operations, and Web Services. The second category, for the most part, pertains to the Agency Software Division. With respect to “other mission critical personnel”, the term remains largely undefined at this juncture because, to the extent such positions may eventually be identified, they would most likely differ substantially from agency to agency.

### **1. General Support Personnel**

With respect to general support personnel, the comments noted, among other things, continued lack of small agency support, loss of support to large agencies, delayed support, inexperienced support, and the need to fill existing and create new OIT positions.

The Review Committee concluded that the critiques regarding general support personnel, while serious, did not exhibit an endemic structural problem but, rather, were the types of problems that not uncommonly occur in any re-organization and which, with sufficient managerial attention and allocation of adequate resources, can be remedied. Accordingly, the Review Committee recommends that these problems be rectified within the existing framework.

### **2. Applications Support Personnel**

With respect to applications support personnel and other mission critical personnel, the Department Heads consistently expressed a need for direct managerial

control over IT functions related to essential business processes. Department Heads noted the need for IT personnel to understand the mission of the agency and the benefits of such specialization, the indispensability of technology to an agency's mission and the manager's need to understand and direct that technology, and the special place of IT applications personnel in the current organizational matrix. Consequently, a recurring request of Department Heads is to return IT applications personnel to their agencies. A number of Department Heads also seek the return of other mission critical personnel.

The critiques regarding the consolidation of applications personnel relate to fundamental structural decisions regarding the allocation of authority and control, the degree of subunit differentiation and the definition of organizational roles. Department Heads believe that the power to hold people in critical IT positions accountable for their actions, the right to make decisions concerning the work they undertake, the ability to coordinate their work within the agency, and the opportunity to motivate them to work as part of the agency team are essential to accomplishing an agency's mission.

It was generally agreed that applications personnel are distinguishable from other IT personnel in that they tend to perform tasks more specifically associated with a particular agency and its unique business, as opposed to general support personnel that perform more standardized tasks which are similar among agencies. Recognizing the integral role that applications personnel can play in accomplishing an agency's mission, and acknowledging the Department Head's need to exercise control over resources critical to the mission for which the Department Head is accountable, the Review Committee recommends that agency control over applications personnel, and other personnel that can be identified as mission critical, be clearly established and defined.

OIT personnel noted that efforts to establish greater agency control over applications personnel will require detailed planning. Discussions of approaches to establishing and defining control indicated that there are at least two methods of providing managers effective control over applications personnel. One approach involves returning such personnel to the agencies where they would be subject to direct control through the agency hierarchy. Another approach involves formalizing control through a written rule such as a Service Level Agreement in which the agency and OIT spell out in detail who would be subject to agency control and how that control would be exercised.

OIT personnel indicated a variety of potential obstacles that could be encountered in establishing and defining agency control. The Review Committee, however, concluded that its job was to identify the subject, or the “what”, of Department Head concerns arising from consolidations and determine if the concern was valid. Given the time and resource constraints under which the Review Committee was operating, it determined that the process, or the “how”, of resolving valid concerns would have to be addressed subsequently by the Chief Information Officer and the IT Council. Nonetheless, the Review Committee sets forth below some considerations that are likely to affect a final decision.

The Review Committee points out, with respect to transferring applications and other mission critical personnel back to agencies, that the efficacy of transfer may be highly dependent in execution on the size of the particular agency in question. For instance, in a small or medium size agency, the return of a single applications employee could most likely be accomplished with little disruption. At the same time, execution of



a Service Level Agreement for such an agency could potentially offer a suitable alternative.

Larger agencies, however, would likely require the transfer back of numerous employees, which may raise questions of how many personnel are appropriate to transfer back and what effects that could have on OIT as an agency if, for instance, an employee had been re-assigned to a critical role within OIT. Again, depending on the circumstances, it is possible that for some agencies a Service Level Agreement could potentially offer a suitable alternative. It should be noted, however, at least one agency indicated that, in the past, it had found the Service Level Agreement alternative would not meet its particular needs.

In the case of large and small agencies, to the extent applications personnel are transferred, the orderly return of such personnel would require efforts of mutual accommodation between OIT management and agency management, and legislative approval may be required as well. Similarly, the identification of other mission critical employees for return to agency control would require the same steps. It should be noted that there may be important timing differences between the accomplishment of transfers, on the one hand, and the execution of Service Level Agreements, on the other, that may affect a Department Head's preferred approach inasmuch as transfers would appear to be more time consuming to the extent they involve the legislative process, while Service Level Agreements should be less time consuming because they would primarily involve negotiations between an agency and OIT.

Finally, the Review Committee notes that there may be potential collateral effects resulting from the return of applications and other mission critical personnel to agency

control. First, the transfer back of such employees could reduce the overhead costs paid by agencies. Second, inasmuch as the head count for OIT is decreased, the human resources and other related support requirements for OIT as an agency could conceivably be lessened. At the same time, depending on how the transfer of applications personnel was to be executed, it should be kept in mind that countervailing transaction or other costs could occur that would influence the final decision.

Given the various and sometimes conflicting costs and other factors discussed above, the Review Committee recommends that Department Heads be afforded flexibility in pursuing with the Chief Information Officer and the IT Council the applications personnel control alternative that is best tailored to an agency's circumstances. The Committee emphasizes that the focus of its recommendation is identifying the best way to provide Department Heads the requisite control over personnel resources critical to their agencies' missions. Accordingly, the Committee does not recommend the wholesale return of applications personnel as an across-the-board solution. Rather, the Committee, consistent with its previously stated commitment to employ a measured approach to the issues, recommends a thoughtful pursuit of the general principle of agency control over applications and other mission critical personnel either by transferring such personnel, executing a detailed Service Level Agreement, or employing such other appropriate mechanism as the specific circumstances warrant.

## **B. PURCHASING/PROCUREMENT**

Department Heads made numerous comments about problems they encountered with purchasing and procurement. The comments ranged from the low \$250 threshold for triggering OIT approval, to increased steps in the approval process, to slow

turnaround times, to processing mistakes, to the lack of standards, to the lack of defined roles in the process, and the need to streamline the RFP process.

The Review Committee concluded that many critiques in this area appeared to be well founded but it also learned that OIT was involved in concerted efforts to address the shortcomings. In theory, the purchasing/procurement process that existed prior to consolidation could have remained in place because it centralized control within the predecessor to OIT, but without housing related personnel. However, the Taylor-Herr Report, as well as conventional wisdom, suggests that, if properly implemented, synergies may accrue from consolidated or centralized purchasing and procurement.

The Review Committee believes that the types of problems identified by agencies appear, for the most part, to be administrative in nature and susceptible to correction. Purchasing and procurement needs are less directly related to an agency's particular mission and can be effectively handled outside the direct chain of command so long as OIT employs a customer service approach to its duties and has adequate resources to perform those duties. As a result, the Review Committee recommends that the problems be rectified within the existing framework.

### **C. INVOICING**

Department Heads made several consistent comments that invoicing procedures for assessing IT costs and charging for IT services were lengthy, complex and prone to error. The Review Committee concluded that invoicing is central to a manager's fiduciary obligation to ensure that costs are properly billed and documented. While important, the concerns expressed by the agencies are administrative in nature and do not go to fundamental organizational design. Therefore, the Review Committee believes that

OIT can correct the invoicing problems by generally reviewing its processes and working with the agencies in specific problem areas.

The Review Committee recommends that invoicing issues be rectified within the existing framework. However, the Committee also points out that time is of the essence in resolving this specific issue because, in addition to the need to resolve the internal fiduciary concerns noted above, it is critical to resolve external concerns regarding, among other things, the effects of untimely or incorrect invoicing on vendor relations and federal reporting requirements.

#### **D. INTEGRATION/COORDINATION**

Department Heads made a number of specific comments about the need to improve communications, define relationships and roles, make the process for planning changes to OIT methods transparent, distribute accurate contact information and institute greater accountability. The unifying theme to these comments can best be seen through the lens of the organizational theory concept of integrating mechanisms. Large, complex organizations such as the Executive Branch of New Hampshire state government require various levels of vertical and horizontal differentiation in order for the organization to operate effectively. Facilitating effective communication and coordination between and among the resulting subunits presents a significant challenge that is addressed by the selection of various integrating mechanisms, such as, hierarchy of authority, direct contact, liaison roles, task forces, teams, integrating roles and integrating departments and by determining the proper level of standardization or formalization through written rules and standards.

The Review Committee concluded that the issues raised by agencies in this area go to the nature of complex organizations and are the kinds of issues that would need to be addressed regardless of the degree of consolidation; though different solutions would likely be required depending on the particular manner and degree of consolidation. The Review Committee recommends that OIT consider, among other mechanisms, application of Service Level Agreements and Memorandums of Understanding on an agency-by-agency basis to improve communication and coordination.

## **E. SUMMARY**

In summary, the Review Committee recommends the following.

### **A. Staff Alignment:**

1. General Support Personnel – Keep general support personnel within OIT and rectify issues within the existing framework.
2. Applications Personnel – Establish and define effective agency control over applications support personnel. Determine on a case-by-case basis whether to transfer personnel back or rectify within existing framework through a mechanism such as a Service Level Agreement.

### **B. Purchasing: Keep centralized and rectify issues within the existing framework.**

### **C. Invoicing: Rectify issues within the existing framework..**

### **D. Integration/Coordination: Rectify issues within the existing framework and give special consideration to structural or organizational alternatives employing various integrating mechanisms and more formalized written standards.**

#### **IV. CONCLUSION**

In light of the amount of discussion engendered by the issues surrounding the proper placement of applications and other mission critical personnel within the Executive Branch, and the fact that the attendant recommendation involves the most potentially complex structural solutions, the Committee concludes by offering the following abridgment of its analysis and recommendation regarding that subject. Inasmuch as the other issues involve more organizationally or structurally straightforward solutions, further discussion here is obviated.

Based on a review of the comments by Department Heads about the effects of IT consolidation on agency operations, the Review Committee has concluded that applications personnel are integral to achieving the mission of an agency. As a result, the Review Committee agreed with the comments of Department Heads that applications personnel, and other mission critical personnel where specifically identified, should be placed under the effective control of Department Heads in order to clarify issues of authority and accountability, facilitate effective communications, develop the necessary level of IT specialization by agency, and ensure timely response and completion of tasks. At the same time, the Review Committee agrees with the caution noted by OIT personnel that there will be a number of execution-related decisions critical to a successful implementation of this recommendation.

There are two obvious methods of effectuating agency control of applications personnel. One involves the transfer of selected personnel back to the agency and the other involves greater use of mechanisms such as very specific Service Level Agreements

or Memorandums of Understanding between OIT and the respective agency. The choice of the appropriate method for each agency will depend on the particular attributes of that agency and include, among other things, factors such as size, funding sources and mission. The Review Committee recommends that the Chief Information Officer and the IT Council take steps to place applications personnel under the effective control of the agencies using a case-by-case approach to determining the best method of establishing such control by Department Heads.

## ATTACHMENT 1



To: Department Heads  
From: Tom Getz and Peter Croteau  
Re: OIT Service Consolidation and Structure  
Date: June 6, 2005

At the Department Head meeting convened by Governor Lynch on April 1, 2005, a number of agency representatives expressed concerns about the effects of the consolidation of their IT resources into the OIT structure. The fact of such consolidation-related concerns was raised at the initial meeting of the IT Council on April 19, 2005. As a follow-up, the formation of a Service Consolidation and Structure Review Committee was approved at the IT Council meeting on May 17, 2005, to be co-chaired by Peter Croteau from OIT and Tom Getz from the PUC.

The goal of the Review Committee is to identify whether aspects of consolidation may not be working effectively and, if so, to determine if such issues can be: rectified within the OIT framework: "unwound" or returned to agency control; or, addressed through another structural or organizational mechanism. Features, services or functions that fall under this review include, but are not limited to: purchasing, network operations and security, custom application and software development, desktop support, human resources, such as staff allocation and productivity, planning and assessment, and project management.

Please provide, by June 17, 2005, a detailed description of areas that you believe are not functioning effectively for your agency, the source of the problem as you see it, and recommended actions, such as, reform within OIT, return to agency, or restructure in some other fashion. If applicable, please categorize concerns in areas of responsiveness by OIT, agency management control, or cost. If you can categorize specific concerns in some general manner, it will be useful to the Review Committee, which, if it is determined there are areas to be unwound, will be attempting to establish a set of principles to guide its recommendations for further action.

## ATTACHMENT 2

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## **Department of Administrative Service's Response To The Service Consolidation and Structure Review Committee**

Let me begin by pointing out that Administrative Services is organized a little differently than most of the rest of agencies in the state, in that we have retained our Application Development Staff. This has worked very well for us and our rationale for that decision would probably also apply to other major State agencies where the workload is of a magnitude to justify a full-time team of dedicated specialists. Our applications are of a specialized nature and require the staff maintaining and developing them to be intimately knowledgeable with our rules, policies, procedures, and business plans. Because they are an integral part of our service delivery team, it would be counter productive for them to report to a separate agency.

In my opinion, agencies' application development personnel should be directly responsible to the agency heads that have the primary responsibility under RSA for the delivery of services to our citizens.

That being said, I believe that some areas, such as data center services, agency-to-agency network connectivity, and Internet access can benefit from centralization.

In the cases of the recent IT reorganization, I think that the centralization was a good idea for certain functions, but in some cases went too far in the creation of OIT. In addition, it seems obvious that OIT was created with inadequate planning.

I would suggest the realignment of IT resources to accommodate the centralization of those functions that benefit from centralization while returning those functions best managed by the agencies back to their direct control. This would include

- a. Reassigning the OIT resources that are primarily focused on supporting the delivery of agencies' business services back to the business units that they support, while retaining delivery of statewide computing & statewide communication services in a centralized environment in a service bureau type operation. Those elements to be reassigned include, but are not limited to:
  - i. Agency-specific application development staff
  - ii. Agency-specific software, hardware, and support staff
  - iii. Other agency-specific expenditures for supplies, equipment, consulting services, and other operating expenses
- b. Retaining a centralized organization whose elements are large enough to provide for the benefits of size, but small enough to be manageable & responsive to its customers. If Service Level Agreements are put into place, which provide processing services, that are measurable and which are attained, most agency heads should not care whether processing is provided in-house or outsourced. Those elements to remain centralized include, but are not limited to:

- i. Centralized data processing center(s) for all large, statewide software and hardware applications.
- ii. Centralized Internet access and support.
- iii. A technical staff capable of supporting the IT needs of small agencies that are not large enough to require their own dedicated IT personnel.
- iv. A centralized staff, which would be responsible for complying with all requirements of the current legislation, other than those components specifically identified above for decentralization.

Benefits of this proposal would include:

- c. Giving Commissioners control & accountability over the development & management of those applications that are directly related to the delivery of their primary business functions.
- d. Retaining a shared pool of technical resources required for large, expensive hardware & software systems & those that require coordination among all agencies.
- e. Retaining the ability to consolidate hardware & software to attain efficiencies of volume.
- f. Providing for the consolidation of business & IT planning & execution during both the budget process & throughout the fiscal year.
- g. Simplifying the cost accounting structure whereby many personnel costs can be appropriated & managed within the agency where they are assigned, which is particularly important in the recovery of federal funds.
- h. Simplifying the current organizational structure, which is considered by some to be unnecessarily large & unwieldy. The proposed structure should align more closely with business units & possibly result in a flatter organizational structure.
- i. Retaining the centralization of expensive hardware & software whereby costs will continue to be shared among agencies.
- j. Maintaining centralized second level of support for highly technical issues.

**From:** Getz, Tom  
**Sent:** Thursday, June 16, 2005 4:39 PM  
**To:** 'peter.croteau@oit.nh.gov'; 'rebecca.bolton@oit.nh.gov'; 'john.oneal@oit.nh.gov'; Howland, Debra  
**Subject:** FW: IT Council--Service Consolidation and Structure Review Committee

-----Original Message-----

**From:** Steve Taylor [mailto:staylor@agr.state.nh.us]  
**Sent:** Thursday, June 16, 2005 11:51 AM  
**To:** Getz, Tom  
**Subject:** Re: IT Council--Service Consolidation and Structure Review Committee

Tom--The Department of Agriculture has functioned since the dawn of the computer age with absolutely no IT personnel. We've had to fend for ourselves and a number of our people have become reasonably competent at keeping our exclusively PC-based operations on track. Thus we haven't contributed any personnel to OIT.

Our major problem with the IT structure has been getting attention and sound information when we have had a special project to do. In the worst episode we were steered to an outside contractor for development of a new website. The contractor turned out to be a quick-and-we're-outta-here kind of outfit, delivering a product with many defects and that didn't match up correctly with the server assigned to us. Getting this mess fixed turned into months of phone calls, pleading and hassles for my people, and it still isn't fully functional nearly two years later. OIT people say they're shorthanded and they obviously don't have our website as much of a priority.

Looking forward, we expect to continue to largely fend for ourselves, but we'd like to know that there's help available for problems that are beyond our capability, and that when we are required to use outside contractors that such contractors have been carefully screened and that there is some way to have the contractors be compelled to perform adequately.

Steve Taylor, Agriculture.

**From:** Getz, Tom  
**Sent:** Thursday, June 16, 2005 4:40 PM  
**To:** 'peter.croteau@oit.nh.gov'; 'rebecca.bolton@oit.nh.gov'; 'john.oneal@oit.nh.gov'; Howland, Debra  
**Subject:** FW: IT Council--Service Consolidation and Structure Review Committee

-----Original Message-----

**From:** Hildreth, Peter [mailto:phildreth@banking.state.nh.us]  
**Sent:** Thursday, June 16, 2005 3:43 PM  
**To:** Getz, Tom  
**Subject:** RE: IT Council--Service Consolidation and Structure Review Committee

RE: OIT Service Consolidation and Structure.

The Banking Department had two internal IT individuals prior to transferring to OIT in September 2004. They have the same offices and perform mostly the same functions, with the exception of additional OIT administrative tasks.

The FY06/07 budget projects an additional \$22,000 in each fiscal year for OIT operations, attributable solely to OIT's operational overhead.

We are fortunate to have two very competent and dedicated IT individuals. They have been able to effectively deal with the ever changing administrative requirements of OIT and provide the department the continued excellent service they did prior to their transfer.

We are concerned about the time spent out of the office at OIT meetings and attending to their OIT administrative functions. Neither of which appears to add value to the department's mission.

The billing process for FY05 is a great concern to us. At this point we have been unable to confirm that the department will not pay more than was transferred to line 27 for FY05. The external OIT staff has indicated that the department will not be billed more than was transferred. However, we remain unsure that more will not be billed.

The department has twenty six bank examiners that use laptop computers in their daily duties. The laptops need significant horsepower to run the robust federal software systems used in the examination process. These requirements exceed the state standard for laptops. Since OIT became directly involved in our purchasing process, we have had to expend additional resources justifying the need for this additional horsepower. This has to be done with every laptop purchase even though the same people at OIT review each request.

Our last laptop purchasing experience was problematic. We completed the requisite requirements, including the justification, for the upgraded laptops. In spite of this, OIT purchased the state standard anyway. We were not informed of this change: the laptops just arrived at our office. The laptops are basically useless to us in the current configuration. Although this has not yet been resolved, the department has expended additional resources trying to correct this issue.

We understand that some services may need to be centralized to ensure compatibility with other state

services and reap costs savings when possible. However, we believe a majority of the decisions should rest with the department's management team.

We feel that transferring the positions back to the department would be the most efficient use the department's IT dollars.

Peter C. Hildreth  
Banking Commissioner

Peter C. Hildreth  
Banking Commissioner

**From:** Jeanne Gerulskis [mailto:jgerulskis@starhop.com]  
**Sent:** Wednesday, June 15, 2005 11:51 AM  
**To:** Getz, Tom  
**Subject:** IT Council - Service Consolidation

Hi—The view from my agency is, things worked fine before the consolidation, and it would be a good idea to go back to that and unconsolidate.

The primary interaction we have with OIT is when purchasing IT-related goods and services.

Goods: Before the consolidation, when we had to purchase IT-related goods, we:

- (1) ensured that the purchase aligned with our SITP
- (2) looked at state contracts to see if vendors had the items we sought
- (3) asked at least 3 of the vendors for bids, sometimes going outside the state contracts if warranted
- (4) recommended to Administrative Services Purchasing Division for selection the vendor with the best product for our needs at the best price
- (5) bought the product, received it, and paid the bill

I think this process worked fine, it has all of the necessary procedures in place to ensure responsible purchasing decisions.

Now, even though we have an approved SITP, before we do any of this, we have to first:

- (a) Get an on-line approval from OIT to move forward with the purchase, creating additional time for our staff to fill out forms
- (b) Negotiate, sometimes involving several staff members over several days, if OIT doesn't understand or like our purchase plans
- (c) Then proceed with the above steps 1-5, except now it looks like in FY06-07 OIT will purchase the equipment and bill us

As far as I can see, this inclusion of OIT in the process wastes time, tying up both my staff and OIT staff on bureaucratic procedures when there are pressing things to be done to fulfill genuine needs of the people of NH. We already have state purchasing policies and procedures to guide us, our approved SITP that we put a great deal of time into creating and getting approved; why do we then need to convince OIT staff that our purchases are warranted? And for FY06-07, why should we have OIT buying our equipment and billing us, it appears to me that this just puts yet another middleman in what should be a fairly simple process.

Services: For purchase of services, there are also state procedures and contracts in place including Governor and Council approval for certain levels of purchases of services, as well as our approved budget and SITP. So I don't think insertion of the OIT process for approval of each service purchase is a helpful addition to the process.

As DITM, the state IT office was always very helpful to us, giving advice and assistance. I really appreciated the help Tom Towle, Bill Armstrong, Leslie Mason, and Vicki Tinsley have given us over the years. It seems to me that the consolidation of services into OIT has added high expenses, extra layers of bureaucracy, and that things worked fine before consolidation. The people at OIT are very nice and professional, I don't mean to disparage anyone's efforts, it just seems like things would work better for the state if our state IT office took back its old role of leadership, setting policies and guidelines and assisting state agencies to develop plans, and then let the state agencies' IT folks take care of the details of their agencies' IT needs.

However, I do not have as much interaction with OIT as some other state agencies, so other agency heads in the state may have a different take on things. Tom, Bill, Lesley and Vicki might have a different perspective, too; even though it seemed to me that things worked well before at DITM, from their perspective they might have seen a need for a larger staff to be able to set policy, direction, and provide occasional tech support to state agencies.



I hope this is helpful. Please let me know if you have more questions for me.

Jeanne T. Gerulskis  
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**From:** Getz, Tom  
**Sent:** Friday, June 17, 2005 4:05 PM  
**To:** 'peter.croteau@oit.nh.gov'; 'rebecca.bolton@oit.nh.gov'; 'john.oneal@oit.nh.gov'; Howland, Debra  
**Subject:** FW: DOC's OIT Restructuring Input from Commissioner Stephen J. Curry

-----Original Message-----

**From:** OLSON, BARBARA [mailto:bolson@nhdoc.state.nh.us]  
**Sent:** Friday, June 17, 2005 3:06 PM  
**To:** Getz, Tom  
**Cc:** 'wsimonton@nhctc.edu'; 'Lohmann, Keith - Dir - PST'; 'amaiola@liquor.state.nh.us';  
 'barry.conway@nhvh.nh.gov'; 'bemmons@nhrec.state.nh.us'; 'bstephen@dred.state.nh.us';  
 'cmurray@dot.state.nh.us'; 'carol.nedeau@nh.gov'; 'dmitchell@pelrb.state.nh.us'; 'don.hill@nh.gov';  
 'pblatsos@rev.state.nh.us'; 'jgerulskis@starhop.com'; 'jstephen@dhhs.state.nh.us'; 'jbyrne@liquor.state.nh.us';  
 'katharine.daly@nh.gov'; 'kdodge@pec.state.nh.us'; 'kelly.ayotte@doj.nh.gov'; 'maryann.manoogian@nh.gov';  
 'mablowich@treasury.state.nh.us'; 'mnolin@des.state.nh.us'; 'ngardner@judcouncil.state.nh.us';  
 'prussell@liquor.state.nh.us'; 'btla@btla.state.nh.us'; 'pezen@ed.state.nh.us'; 'paul.kelley@racing.nh.gov';  
 'phildreth@banking.state.nh.us'; 'pthomson@nhhsa.state.nh.us'; 'sokane@dred.state.nh.us';  
 'richard.c.baileyjr@oit.nh.gov'; 'rflynn@safety.state.nh.us'; 'rwisler@lotterly.state.nh.us'; 'wsimonton@nhctc.edu';  
 'rleggett@nhhs.state.nh.us'; 'roger.sevigny@ins.nh.gov'; 'staylor@agr.state.nh.us'; 'vmcleod@library.state.nh.us';  
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 ROBERT  
**Subject:** DOC's OIT Restructuring Input from Commissioner Stephen J. Curry

Thank you for considering input from the Department of Corrections in this process. We would like to address our comments in four general areas: IT Resources, Central Services, Purchasing, and Standards and Policies.

#### IT Resources

DOC has in addition to the IT Manager, 3 developer positions and 4 resources involved in system management and networking. One of the developer positions remains frozen, one position is currently filled and the third is being recruited against. In addition to getting all of the positions filled, we would like to have the positions and the budget returned to the Department. It is critical that the IT resources and the services they provide be fully integrated into the "business" of Corrections. The more our IT resources are knowledgeable and integrated into our business, the greater the level of contribution they will be able to provide.

#### Central Services

We believe it is in the best interest of the Department to own the IT resources that directly support us. However, we also recognize that there are certain areas that are beyond our capability as an agency to perform. Nor do we possess a statewide view or perspective equal to the task. It is in these areas that we believe the role of a central OIT organization is very important. This is the organization that should develop and promulgate technical standards, in both software and equipment. It should also be responsible for the review/audit of IT projects, statewide infrastructure projects such as network upgrades, topology, the next level of technical support or problem escalations, security issues and data protection, and the helpdesk. Additionally, the provision of remote access to agency computers by

appropriately cleared users, standard e-mail across agencies, security audits (network, email, internet, etc.) are all requirements best handled through centralized resources.

### Purchasing

What the consolidation has not brought is the anticipated reduction of effort in resources and paperwork. For example, the IT request for equipment or software is burdensome to both the Logistics bureau personnel processing IT requests and to the agencies submitting the requests. What used to take our Department 1 to 3 days to process now takes weeks to months. Part of this has to do with volume, admittedly. Another major contributor to the mounting frustration is that communication of status is often nonexistent. Some form of acknowledgement of receipt of the request would help, as well as communicating problems with signatures, authorization, etc. We have cases of requests for which we have received no status or acknowledgement. These have languished for months at a time with no status. When members of the organization inquired, they were told that they were not accepted because there was no signature. Issues like these could have easily and quickly been remedied and resubmitted if we as an agency were made aware of the problem. We believe this can be resolved to everyone's benefit, by either adding resources and system support to Logistics, or returning the purchasing responsibility to the agencies.

### Standards and Policies

We are among those agencies who believe there are benefits to standardization to insure compatibility and the appropriate interfaces between state agencies and their applications. Further, we believe that OIT should have the sole responsibility of determining the appropriate standards for IT equipment with input from the agencies. The desire to maximize discounts should never supersede an agency's business reasons for purchasing the equipment that is appropriate for its users. An example of this is in the purchase of desktops.

In short, we believe that the state could maximize its return on investment in a central OIT organization through the planning process, policy oversight for purchase processes, monitoring technology related contracts and agreements and providing some key centralized staff. OIT could also serve those smaller agencies that do not have IT staffs dedicated to them.

Stephen J. Curry, Commissioner

**New Hampshire Department of Education  
Response to OIT Survey Request**

We have collected a great deal of detailed information from a number of administrators at the Department. I have tried to categorize the comments without reflecting all the detail.

**PURCHASING:**

- The purchasing of equipment process is long and has many redundant steps. We do not generate a purchase order. That is done through another group. When questions on the purchase order come back to the DoE from purchasing we don't have the answers because we have not seen nor generated the purchase order.
- Different people call on the same item to be purchased and ask the same question. This is redundant and a waste of valuable time.
- Purchasing equipment with federal dollars has become a process nightmare and takes more time with no apparent savings.
- When making major purchases we are being second guessed about the nature of the equipment even when we have involved OIT in the initial decision around equipment. People not connected to the project are making decisions on our needs without our involvement.
- We believe there are inequities in the purchase or access to certain items. We have tried to purchase a search engine for our web site and have run in to a continuous road block and we know other agencies have search engines.

**PERSONNEL:**

- Overtime approval is cumbersome and often leads to work not getting done in a timely manner. An important duty such as full back up of our data has been neglected for weeks because of lack of approved time.
- DoE has lost some control over our IT resources as the IT staff now has dual reporting responsibilities.
- When we have data analysis people that are OIT staff and they work exclusively for a Bureau there have been dueling personnel staff policy issues. Supervisory, approval of leave, comp. time, travel policies all seem to be in conflict.
- There is still confusion over the level of supervisory authority the DoE has over OIT personnel located at the DoE.
- Weekends the system is down more then up since OIT has taken over. Many of the employees work on weekends through remote access. This has frustrated the employees.
- The system has broken the employee/employer relationship at the DoE.

**TECH SUPPORT:**

- We have been short handed at the DoE as far as tech support is concerned. We had been promised that when we lost the 3<sup>rd</sup> tech person we would be compensated through the Help Desk support. We have not seen that level of support and have not heard of anything that would indicate support would be provided.

- Technical support to the DoE has suffered because of the loss of staff and the demands on the current staff.
- Statewide system for email has not worked well. Iron Mail is a disaster at DoE and still is.
- Equipment repair response time is slower then it was without OIT.

#### RFP's AND CONTRACTs:

- OIT should be used in a proactive sense to support the development of RFP's and contracts. If they could develop templates and support the development of the items then we would not be faced with RFP's and contracts being bogged down in the OIT system for approval.
- The Special Education RFP and contract for a new SPEDIS system have been slowed down. We had an original timeline for implementation last fall. We are one year behind because of OIT and AG issues.
- The Educator Information System (EIS) for credentialing is way behind (two years). This is fully as a result of OIT's inability to see cost effective issues and act on them and to reconcile contract language issues with the AG. We had to waste time looking at a state contracted vendor's ability to do the work. And then award the contract to the originally chosen vendor. The RFP has now gone out a second time. This could end up costing time and money.

#### DATA AND SOFTWARE SUPPORT:

- We have not seen the sharing of developers we thought we would see.
- Our developers are consumed by another level of administrative accountability to OIT personnel. This is time consuming and another hindrance to effectively getting things done for DoE.

#### COST:

- This has cost the agency money! The overhead is a significant cost when there is no apparent advantage to the agency.
- The consolidation has cost the DoE money without a corresponding increase in services and resources. The fixed administrative costs charged to the DoE monthly seem to not impact service delivery.
- Monthly billings are incomplete and do not provide for us the level of detail needed to properly charge the appropriate program and funding source. Monthly we must request breakdowns of wages and benefits expenses in order to properly allocate costs in our budget and grants control.
- A staff member transferred to OIT Central Help Desk is still paid for through DoE but we only receive a small portion of her services..

In closing, the relationship of DoE and OIT is anything but a partnership of equals. OIT has carried out an agenda that may not be consistent with the goals and mission of the DoE. It has resulted in delaying important Doe information technology projects and lessened our service delivery and ability to comply with reporting requirements at the local, state, and federal level.

The primary issues New Hampshire Employment Security (NHES) has with the centralization of Information Technology (IT) services center around increased costs and unilateral decisions by the Office of Information Technology (OIT) which inevitably cost us more money.

#### **A. Increased Costs:**

Prior to centralization in January 2004, NHES had 34 employees assigned to the Information Technology Section. With these 34 individuals, NHES was self-sufficient and efficient in the area of technology. Under the centralized concept, NHES has received the same, and in some areas lower levels of service, but at a substantially higher cost. Key technological areas, such as web development and imaging, where previously NHES had dedicated staff, saw these staff diverted to work on projects for other state agencies although NHES still had a need for their services. Ultimately, NHES projects are delayed and/or do not receive adequate attention.

For the period beginning in January 2004 through the present, NHES has seen its IT personal service costs rise in the range of 30 to 40% as a result of centralization. (These increases are after consideration of rising costs associated with incremental raises and/or benefit rate increases.) For the forthcoming biennium, NHES projects an increase of **\$1,643,002** in IT personal services costs. This equates to a 38.5% increase over what those services would have cost if our IT staff were returned to NHES. Controlling costs is extremely difficult since charges assessed to this agency are unclear, unsupported and assessed under a variety of unidentifiable allocation processes.

A good example of the effects of OIT cost allocation is in the area of help desk services. Prior to centralization, NHES had its own help desk environment that was providing the necessary coverage for the agency. Since centralized into OIT the cost for NHES to maintain those same help desk services have dramatically increased due to OIT overhead charges and the charging methodology of per PC not being equitable to agencies the size of NHES. The methodology is further flawed by not including all supported equipment in the allocation, specifically Personal Digital Assistants (PDA's). In addition to the increased cost, the efficiency and time to resolution has suffered due to extra steps being added to the process.

For example –

NHES solution – a user with a problem would contact the NHES help desk directly, a ticket would be logged and then the problem corrected. A simple 3 step process.

OIT solution – a user now contacts the centralized help desk and then a ticket is logged. Then the new centralized help desk contacts the NHES help desk to assign the ticket. The user is then contacted and the problem is corrected. Then the NHES Help Desk reports back to the centralized help desk which in turn reports back to the user as to the resolution, of which the user is already aware. As you can see a simple 3-step process has turned into a longer 6 or 7 step process. OIT has just added 3 or 4 steps to the process slowing down the time to resolution.

With centralization, we have added extra steps (time to resolution) to a support process that is now costing NHES more money due to the unfair charged per PC method. Additional dollars have been spent, or expect to be spent, as a result of inflexible OIT standards and practices. A few examples of costly practices associated with OIT follow:

1. NHES and OIT have discussed the need for NHES to upgrade its MS Office Standard from the 1997 release to the 2003 release. NHES would prefer to operate an alternative to the MS Office product it discovered that is offered by Sun Micro Systems free of charge entitled Open Office. OIT is insisting that NHES follow the state standard. By using Open Office, however, NHES would realize a saving per user of \$250 to \$300. With 660 users at NHES, we would save \$166,000 to \$198,000. (Incidentally, if OIT adopted Open Office as the standard, the state with an estimated 9,000 users would realize savings in the area of \$2.25 to \$2.7 million statewide.)
2. When the Data Center needed to replace a Xerox high speed printer, NHES received the necessary approvals from State Purchase and property to buy a new Xerox model. The product was actually at the loading dock when OIT required that it be taken away. OIT required NHES to use an IBM high speed print solution versus a Xerox solution. The change created an additional 8 month conversion/implementation period, cost as much or more, and provided less than 50% of the print capacity compared to the Xerox solution that NHES wanted to purchase. When specifications were identified OIT failed to identify necessary add-on equipment and software required with the result that made the false appearance of IBM being the low bid product. This error puts NHES in violation of federal procurement requirements with potential consequences.
3. The Xerox solution would have required no forms conversion time or additional associated cost. OIT chose to use an OIT contracted consultant to perform the forms conversion process rather than to procure software designed to convert forms which was available and would be less costly and much faster. The result is costing NHES between \$10,000. to \$39,043.12 when cost should have been \$0.
  - A. OIT estimated contractor costs would be \$10,000.
  - B. OIT actual contractor costs totaled \$39,043.12 and took eight months to complete including the OIT contractor billing for costs to redo conversions that the OIT contractor did wrong. OIT paid for these errors. NHES is protesting reimbursement of those and other costs associated with the conversion process. Whether NHES or OIT pays in the end, the cost is still an unnecessary cost of \$39,043.12 to the State of NH.
  - C. A software solution could have been procured for \$10,000, been available for future projects and been used by less costly on-site staff.
4. The Job Match System (JMS) application at NHES had a production environment and a test environment running on a single DEC ALPHA server. In the February 2005 time frame the server of JMS crashed and left NHES without the ability to

operate the JMS application. NHES needed to repair the problem and also create a redundancy so if this should happen again JMS will remain functional and have a backup solution. The decision was made by NHES to purchase another DEC ALPHA server as this would be the easiest and quickest transition due to limited code and environment changes because NHES would be porting code to a similar platform. NHES planned to run the old DEC ALPHA server (once repaired) as the test environment and the new DEC ALPHA server as the production environment. The old DEC ALPHA server has been repaired. The cost of the new DEC ALPHA server was quoted at \$68,000. OIT wants NHES to purchase HP-UX technology as this is what they would like as a standard for servers, and has not approved the DEC ALPHA server purchase. By not approving the DEC ALPHA purchase OIT is leaving NHES with no backup plan and a single point of failure. In addition, to switch to the HP-UX technology that was recommended by OIT would require purchasing 2 HP-UX servers. The HP-UX servers were quoted at \$70,000 per box. Going this route would more than double the cost to NHES to \$140,000. Also, seeing it is a different technology NHES would have more code changes versus staying on the DEC ALPHA platform.

OIT created revenues during the biennium budget process within the NHES appropriations of NHES to cover a portion of these excessive costs without the consent, approval or concurrence of NHES. These revenues do not exist and will not be available to cover expenditures, which OIT plans to assess against this agency. Below is a comparative chart showing the projected savings for the coming biennium by returning IT staff to NHES.

#### **OIT Budgeted Biennium Costs for NHES Services**

	<u>FY2006</u>	<u>FY2007</u>	<u>Total</u>
Base Budget	\$2,801,304.	\$2,865,667.	\$5,666,961.
PS/PB FT raises	\$76,684.	\$157,137.	\$233,821.
PS/PB OT/Temp			
Raises	<u>\$4,305.</u>	<u>\$8,773.</u>	<u>\$13,078.</u>
<b>OIT 06-07 Total</b>	<b>\$2,882,283.</b>	<b>\$3,031,577.</b>	<b>\$5,913,860.</b>

#### **NHES Projected Biennium Costs for NHES Services**

	<u>FY2006</u>	<u>FY2007</u>	<u>Total</u>
Base Budget \$	\$2,024,098	\$2,062,300.	\$4,086,398.
PS/PB FT raises	\$57,086.	\$116,298.	\$173,384.
PS/PB OT/Temp			
Raises	<u>\$3,637.</u>	<u>\$7,439.</u>	<u>\$11,076.</u>
<b>NHES 06-07 Total</b>	<b><u>\$2,084,821.</u></b>	<b><u>\$2,186,037.</u></b>	<b><u>\$4,270,858.</u></b>

<b>NHES Savings</b>	<b>\$797,462.</b>	<b>\$845,540.</b>	<b>\$1,643,002.</b>	<b>38.5%</b>
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**It is imperative that IT staff be returned to NHES, the sooner the better.** If NHES can provide any additional information, please feel free to contact me.



## Attachment A

NHES Information Technology Staff transferred to OIT in January of 2004.

NHES IT costs for Personal Services and Personnel Benefits are paid through OIT.

NHES has maintained its costs for Non-Personal Services within its budget. An additional \$2,715,052. for these costs are still held within the NHES budget and have not been transferred to OIT. Due to the inability to effectively integrate OIT's systems with NHES's Federal Cost Accounting System it is imperative that the budget for these costs be maintained within NHES's appropriations. We would be unable to properly allocate costs to our numerous federal programs and would risk compliance issues and potential loss of federal funding.

For the approximately 6 month period in FY2004 NHES costs for regular full-time Personal Services alone remaining at NHES would have cost us approximately \$615,819. (\$1,231,638. annually)

Actual costs billed by OIT for regular full-time Permanent Personal Services was \$825,413. (\$1,650,826. annually) This was an increase of 34% or an additional \$209,594 for that six month period. Annualized it would have cost an additional \$419,188.

OIT projects regular full-time Personal Services costs of \$1,623,148. for FY2005, \$1,721,312. for FY2006, and \$1,765,982. for FY2007. This would create additional increased costs of \$366,877. for FY2005, \$439,916. for FY2006 and \$458,958. for FY2007.

Regular full-time Permanent Personal Services **(Salaries) alone will cost NHES an additional \$1,516,079.** over 3 ½ years if NHES maintains its association with OIT Centralized Services. **This represents an increase at the rate of 34.7% throughout the 2006-2007 Biennium**

**Attachment A:**

	<u>PS NHES</u>	<u>PS NHOIT</u>	<u>PS INCREASE</u>	<u>PS % Increase</u>
FY2004 (6 months)	\$615,819.	\$825,413.	\$209,594.	34.0%
FY2005 (year)	<u>\$1,256,271.</u>	<u>\$1,623,148.</u>	<u>\$366,877.</u>	<u>29.2%</u>
<b>Current Biennium</b>	<b>\$1,872,090.</b>	<b>\$2,448,561.</b>	<b>\$576,471.***</b>	<b>30.8%</b>

\*\*\* This reflects only PS spending. Total increases for the 04-05 eighteen month period will be close to **\$850,000.**

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	<u>PS NHES</u>	<u>PS NHOIT</u>	<u>PS INCREASE</u>	<u>PS % Increase</u>
FY2006 (year)	\$1,281,396.	\$1,721,312.	\$439,916.	34.3%
FY2007 (year)	<u>\$1,307,024.</u>	<u>\$1,765,982.</u>	<u>\$458,958.</u>	<u>35.1%</u>
<b>2006-07 Biennium</b>	<b>\$2,588,420.</b>	<b>\$3,487,294.</b>	<b>\$898,874.</b>	<b>34.7%</b>
RAISES (2,2,2%)				
2006 (net 3%)	\$38,442.	\$51,639.	\$13,197.	34.3%
2007 (net 6%)	\$78,421.	\$105,959.	\$27,538.	35.1%
<b>06-07 FT w/ raises</b>	<b>\$2,705,283.</b>	<b>\$3,644,892.</b>	<b>\$939,609.</b>	<b>34.7%</b>
Benefits @ 48.5%				
FT 2006	\$621,477.	\$835,847.	\$214,370.	
FT 2006 Raise	\$18,644.	\$25,045.	\$6,401.	
Benefits @ 48.3%				
FT 2007	\$631,293.	\$853,351.	\$222,058.	
FT 2007 Raise	<u>\$37,877.</u>	<u>\$51,178.</u>	<u>\$13,301.</u>	
<b>FT PS &amp; PB</b>	<b>\$4,014,574.</b>	<b>\$5,410,313.</b>	<b>\$1,395,739.</b>	<b>34.8%</b>
Overtime & Temp				
2006 PS	\$81,627.	\$96,627.	\$15,000.	
2006 PB	\$39,598.	\$46,864.	\$7,266.	
2006 PS 3% Raise	\$2,449.	\$2,899.	\$450.	
2006 PB Raise	\$1,188.	\$1,406.	\$218.	
Overtime & Temp				
2007 PS	\$83,603.	\$98,603.	\$15,000.	
2007 PB	\$40,380.	\$47,625.	\$7,245.	
2007 PS 6% Raise	\$5,016.	\$5,916.	\$900.	
2007 PB Raise	<u>\$2,423.</u>	<u>\$2,857.</u>	<u>\$434.</u>	
<b>TOTAL PS &amp; PB</b>	<b>\$4,270,858.</b>	<b>\$5,713,110.</b>	<b>\$1,442,252.</b>	<b>33.8%</b>
Addtl NPS 2006			\$100,644.	
Addtl NPS 2007			<u>\$100,106.</u>	
<b>Total Additional Cost 2006-2007 Biennium</b>				
<b>If NHES Remains Associated With NHOIT</b>			<b><u>\$1,643,002.</u></b>	<b>38.5%</b>



**To:** Tom Getz and Peter Croteau, Co-Chairs  
**From:** Susan Carlson, Chief Operations Officer  
**Subject:** OIT Review Committee – Initial Comments on Effectiveness of OIT  
**Date:** June 20, 2005

The Department of Environmental Services (DES) would like to extend its appreciation to the IT Council for offering this opportunity to participate as part of the Service Consolidation and Structure Review Committee to provide some suggested remedies to enhance the efficiency of OIT services to state agencies and ultimately New Hampshire citizens.

The following comments, views, and suggestions are provided by end-users from across the DES based on their direct experience with current IT systems. These comments are intended to assist the Service Consolidation and Structure Review Committee with evaluating the performance of current information technology available to State agencies.

### **Comments:**

- ❖ DES appreciates the outstanding efforts of the technicians and other support personnel offered by the Office of Information Technology (OIT). The challenges faced by DES and other agencies are not due to a lack of expertise or commitment by OIT staff. They have attempted to serve users' needs under the new system and have been effective in keeping many of the programs in operation, despite a shortage of time, personnel, and financial resources. However, their roles are poorly defined and there exists a general lack of communication and assessment among the various interested parties using the current IT systems.
- ❖ Prior to major consolidation of all OIT personnel, equipment, and programs, an inadequate systems analysis was carried out that failed to predict or measure the type and scope of impacts that could occur from such a major change to core resources. Effects suffered by larger agencies like DES (a donor agency) included added inefficiencies, overly cumbersome software and hardware acquisitions processes, loss of control with dedicated personnel, an increase in overhead costs borne by agencies, and deteriorating online services to the public via agency Web site
- ❖ Over the last several years, DES has invested significant time and money in the ongoing enhancement and development of its IT staff and system resources, including its extensive Website and Intranet. DES staff and the public rely heavily upon the DES Intranet/Internet as an essential program efficiency and public education and outreach tool. Before the OIT consolidation, the DES Webmaster: 1) took full ownership of the site; 2) was fully responsible for its continuous maintenance and improvement; 3) was fully available to provide consulting services in the design and navigation of new pages; 4) proactively maintained the site; and 5) was physically accessible to staff. The webmaster provided excellent turnaround times, and served as a primary information gatekeeper and manager, as well as an essential participant on the Website Editorial Board, along with Public Information Center staff, and staff from across the agency.

As a result of the OIT consolidation, DES has now lost administrative control of this mission-critical position. The job specifications for the position were changed unilaterally; the waiver process has been a drawn out and confusing process due to the "fuzzy" ownership of this position; and the high degree of physical and organizational access to this position which DES requires has not been possible under the current operational model. Being forced to work with 1/3 of a person has created undue technical difficulties, challenges in the communication of website needs by staff, and much slower turnaround times.

- ❖ The current IT organizational structure is not working – it is too bureaucratic. One size does not fit all. Smaller agencies may benefit from centralization and sharing of resources. However, more advanced agencies like DES, that saw major investments in information technology in the late 1990s, should not be expected to close the gap for other agencies or to suffer a deterioration of its services as a result of such consolidation.
- ❖ With a centralized IT group, agencies should pay less, not more, for a given level of service. This has not been the case. OIT overhead costs have added approximately \$400,000 per year for FY 06/07 to our budget. We are paying significantly more for less. Higher costs and lack of absolute long-term dedication of IT staff to our mission will contribute to diminishing investment of dedicated and federal funds in pursuing creative IT solutions unless program managers have reasonable assurance that IT staff are fully dedicated to agency-specific projects commensurate with cost allocated to the project.
- ❖ Funding of OIT continues to be of concern since DES funds half of its IT staff from federal grants. OIT's lack of adequate documentation for time charged for federal grants puts this agency at risk of having those costs rejected by the federal agencies.
- ❖ The approval process for purchasing both hardware and software needs a complete overhaul. Setting a limit of \$250 for OIT approval has lengthened the approval process from a few days to, in some cases, a few months.
- ❖ Purchasing has also become an issue when the opinions of OIT personnel override the decision making process of DES management. In one case, we were given a federal grant to participate in a pilot program. The grant allowed us to buy several PDAs to be used by field inspectors for contact information, license information, etc. We have not been able for the last 4 months to get the purchase order through OIT as they are questioning whether we should have PDAs.
- ❖ OIT does not have a functional support group for an agency of this size. You can not run an agency of over 400 employees without fully functional accounting and human resource units. Our accounting and human resource departments have spent a great deal of time doing work for OIT employees, simply because these former DES employees have had no where else to go to get help. The lack of these units have contributed to delays in purchasing critical software licenses, lack of sufficient recordkeeping for federal grant requirements and HR issues.

## **DES Recommendations:**

- ❖ Purchasing – raise the minimum dollar threshold from \$250 to \$5,000. If part of the goal is to save money through bulk purchasing, then establish quarterly bulk purchase times for agencies to “jump on the purchase bandwagon”. OIT should also take another look at the recommendations of its own team that reviewed the purchasing process. We recommend that much of the purchasing process be delegated back to the agencies.
- ❖ More clearly define OIT's role in approving/disapproving purchases. OIT's role should be one of providing technical advice and guidance; not veto power over agency decisions.
- ❖ If the lack of adequate staffing resources continues to be a problem, serious thought should be given to returning agency critical personnel back to the agencies so that we can function without extensive delays.
- ❖ Fully staff an OIT accounting and human resources unit within OIT. Hopefully, this unit will improve the recordkeeping and time reporting of OIT staff to agencies, especially for those positions funded by federal or other dedicated funds.
- ❖ Have OIT exempted from any hiring freezes. As this department is considered “mission-critical” to all agencies, it should be able to fill vacancies without delay.

**From:** Getz, Tom  
**Sent:** Monday, June 13, 2005 5:52 PM  
**To:** Howland, Debra  
**Subject:** FW: IT Council--Service Consolidation and Structure Review Committee

-----Original Message-----

**From:** Lee Perry [mailto:lee.perry@WILDLIFE.STATE.NH.US]

**Sent:** Friday, June 10, 2005 5:14 PM

**To:** Getz, Tom

**Cc:** john.dolan@nh.gov; William G. Simonton (E-mail; Anna Mae Twigg (E-mail; Anthony C. Maiola (E-mail; Barry Conway (E-mail; Beth Emmons (E-mail; Bobby Stephen (E-mail; Carol Murray (E-mail; Carol Nadeau (E-mail; Charles Albano (E-mail; Dennis Viola (E-mail; Donald Mitchell (E-mail; Donald S Hill (E-mail; Ed MacKay (E-mail; G. Philip Blatsos (E-mail; George Bald (E-mail; George N. Copadis (E-mail; Jack Donovan (E-mail; Jeanne Gerulskis (E-mail; John A. Stephen (E-mail; John Byrne (E-mail; Katharine Daly (E-mail; Kathryn Dodge (E-mail; Keith Lohmann (E-mail; Kelly Ayotte (E-mail; Kenneth R. Clark (E-mail; Director; Louise Lavertu (E-mail; Louise MacMillian (E-mail; Mary Ann Manoogian (E-mail; Maureen Tully (E-mail; Michael Ablowich (E-mail; Michael Nolin (E-mail; Nina Gardner (E-mail; Patricia Russell (E-mail; Paul B Franklin (E-mail; Paul Ezen (E-mail; Paul M Kelley (E-mail; Peter C. Hildreth (E-mail; Peter M Thomson (E-mail; R. Sean O'Kane (E-mail; Richard Brothers (E-mail; Richard C. Bailey Jr (E-mail; Richard Flynn (E-mail; Rick Wisler (E-mail; Robert Leggett (E-mail; Roger Sevigny (E-mail; Stephen J. Curry (E-mail; Stephen Taylor (E-mail; Steve Reno (E-mail; Van McLeod (E-mail

**Subject:** RE: IT Council--Service Consolidation and Structure Review Committee

Tom - Thank you for taking on this task and the opportunity to provide some input.

Prior to the OIT consolidation, we had three IT people dedicated to supporting the Department. All three positions were transferred to OIT. They are still located in their same offices and appear to be performing exactly as they performed prior to the reorganization.

Thier entire payroll as well as some operating and equipment expense was transferred to a 27 line dedicated to reimbursing OIT for paying their salaries and associated expenses. In addition to paying the same costs as previously we anticipate paying an additional indirect rate of \$250,000 per year in each year of the biennium. This represents a cost increase of about 75% in each year of the biennium.

One example of the problems this change has created is occurring right now. It is time to develop the Statewide Strategic Information Technology Plan. OIT is working with the IT Council to develop the plan and set the direction for IT in the new biennium. A significant portion of the statewide plan is a result of the needs identified in the individual agency IT plans, so developing the agency plans is the first step in the process. Each executive department is required to prepare an information technology plan. OIT is holding a workshop to train agencies in preparing the plan. Agencies are highly encouraged to send one or more representatives to this workshop. Traditionally our IT staff has led the development of the plan and would have been assigned the work and sent to the workshop. If we follow OIT's direction I will have to assign another employee to do IT work.

The change has also created redundancy in paperwork. When we have three people working full time within our agency, where is the efficiency in having one agency handle payroll then prepare payment requests that we have to process to reimburse OIT. We're paying more money for service yet have the same overhead internally processing payments.

While we are expected to pay the bill, we have no supervisory authority over the employees located in our office. We are a dedicated fund agency and the work performed by these employees may be billable to federal projects and grants. The lack of control over payroll and work and activity reporting may become problematic in future audits.

I strongly feel that all three positions should be returned to Fish and Game control.

I am not opposed to the concept of centralizing some services. While we have not observed any savings to date, it would seem that bulk contracting for hardware and software should produce lower per unit costs. Unfortunately the anticipated cost of computers is higher the actual cost of what we have been paying. I believe others have noted that prices for products and services are compared with the open market, those of the "approved" vendors are significantly higher.

I believe there is a benefit in standardization to insure compatibility and interface across state agencies and providing some depth to support smaller IT staffs within agencies. This could be achieved through the planning process, oversight of purchases, monitoring contracts and agreements and providing some key centralized staff.

I feel that a combination of centralized and decentralized roles and functions would be the best approach for us.

-----Original Message-----

**From:** Getz, Tom [mailto:Tom.Getz@puc.nh.gov]

**Sent:** Monday, June 06, 2005 4:00 PM

**To:** William G. Simonton (E-mail; Anna Mae Twigg (E-mail; Anthony C. Maiola (E-mail; Barry Conway (E-mail; Beth Emmons (E-mail; Bobby Stephen (E-mail; Carol Murray (E-mail; Carol Nadeau (E-mail; Charles Albano (E-mail; Dennis Viola (E-mail; Donald Mitchell (E-mail; Donald S Hill (E-mail; Ed MacKay (E-mail; G. Philip Blatsos (E-mail; George Bald (E-mail; George N. Copadis (E-mail; Jack Donovan (E-mail; Jeanne Gerulskis (E-mail; John A. Stephen (E-mail; John Byrne (E-mail; Katharine Daly (E-mail; Kathryn Dodge (E-mail; Keith Lohmann (E-mail; Kelly Ayotte (E-mail; Kenneth R. Clark (E-mail; Lee Perry; Director; Louise Lavertu (E-mail; Louise MacMillian (E-mail; Mary Ann Manoogian (E-mail; Maureen Tully (E-mail; Michael Ablowich (E-mail; Michael Nolin (E-mail; Nina Gardner (E-mail; Patricia Russell (E-mail; Paul B Franklin (E-mail; Paul Ezen (E-mail; Paul M Kelley (E-mail; Peter C. Hildreth (E-mail; Peter M Thomson (E-mail; R. Sean O'Kane (E-mail; Richard Brothers (E-mail; Richard C. Bailey Jr (E-mail; Richard Flynn (E-mail; Rick Wisler (E-mail; Robert Leggett (E-mail; Roger Sevigny (E-mail; Stephen J. Curry (E-mail; Stephen Taylor (E-mail; Steve Reno (E-mail; Van McLeod (E-mail

**Cc:** john.dolan@nh.gov

**Subject:** IT Council--Service Consolidation and Structure Review Committee

Colleagues,

Attached is a survey that I hope is a good starting point for examining the issues assigned to the Review Committee. Peter Croteau will be making separate contacts to fill out the membership of the Review Committee and we will be setting up a meeting to discuss the survey responses and next steps. We can follow up on this at the IT Council meeting on Tuesday at 2:00.

Thanks

Tom Getz

**Thomas B. Getz**

Director

It can be frustrating. The Highway Safety Agency was not consolidated with OIT due to lack of OIT staff, this means the agency has to work outside the umbrella which has it's difficulties.

The Highway Safety Agency is a small agency lacking IT staff, however the Accountant is responsible for managing the Agency's IT environment. The agency's computer environment has grown to include eight PC's connected to a server. As the IT environment becomes more complicated, the Accountant does not have the time to research the areas and equipment the agency needs for future IT enhancements.

In the past, the accountant conducted the research for upgrades, etc... secured quotes, and prepared purchase orders. These were basic tasks.

Recently we requested OIT assess the current environment. Following the assessment, OIT made recommendations to upgrade the agency's system in order to remain in sync with OIT. Based on OIT's recommendations, I completed the OIT request form only to be informed this was not the process. I was then told to secure quotations from the Bureau of Purchasing. The information I provided caused confusion and delayed the quotation process. Once the price information was received, I entered the prices and justifications into the OIT toolbox, received approval, and prepared a PO for processing. This is a very confusing and timely process.

After receiving the upgrades, the staff from OIT came to the office to review the equipment. At that time I was informed that the wrong hard drives were ordered, a necessary adapter card was not ordered, and that it would be more cost effective to order a new server, (rather than upgrading the existing server). Needless to say, I am now in the process of returning all that was ordered and going through the process of ordering new equipment.

I want to emphasize that Purchasing and OIT staff have been very responsive to our agency. However, the process is now extremely cumbersome, time consuming, and needs to be streamlined.

I recommend that an OIT staff person be assigned to work directly with small agencies that do not have full-time IT staff. This person would be responsible for reviewing equipment, securing quotations, securing OIT approval, assisting in the PO process, and developing IT plans, etc. Currently too many are involved in the process and do not understand the entire process. There is a lack of communication and defined process.



**IT Service Consolidation and Structure**  
**IT Council Sub-committee**  
**DHHS Response**  
**June 20, 2005**

**Background Context**

- DHHS is a series of businesses within a business. Each of these businesses has ongoing relationships with a number of community partners and vendors with whom we interact daily. Among the groups we serve
  - Children and families in need of services: protection, childcare, foster care, mental health, developmental disabilities, financial and social services. These services delivered through several program divisions.
  - Public health services: public health laboratories, disease surveillance to improve health of the State's population
  - Services to adults with mental health, developmental disabilities, alcohol and substance abuse prevention and treatment, plus institutional and community based services for the frail elderly
- Like all agencies, we have funding pressures. DHHS response:
  - Reorganized the Department to enhance focus on core program service segments and maximize the use of financial and human resources by creating a "shared service" model for administrative and cross program support services.
  - Transform the Department's largest program, Medicaid, to be client centered and financially sustainable.
- The Department believes that information technology is a critical enabler to our success. Key to that is taking highly manual processes and shifting them to more digital processes to reduce cost, streamline operations, increase quality and enhance client focus around an integrated plan of care.
- Doing this effectively requires an intimate knowledge of the programs, rules, Federal and State law and the processes unique to each of the above programs. As such, the personnel associated with these businesses specific functions should be reintegrated into the Departments from where they came.
- The most critical aspect of information technology for DHHS centers on planning, design, implementation and management of application systems in support of our business. We currently have an applications portfolio of over 40 systems consisting of a mix of homegrown, those purchased and enhanced by State and vendor personnel and increasingly system that are hosted external to the State IT structure using an Application Service Provider model. These application systems fall into two primary categories:
  - Transaction systems (MMIS, New Heights, Bridges)
  - Decision support systems (EDW, MDSS)

- Looking forward, a strategic direction will be to use the Internet infrastructure as a way to change how we interact with our key stakeholders including providers, legislators, clients and their families, the Federal government and the general public. This will require a new wave of innovation using web-enabled applications.
- The key issues in the application system segment today are:
  - RFP procurement: this process is time consuming and confusing as roles and responsibilities are not clear. The business should own this process for development, release and evaluation of a business specific RFP.
  - “Charge backs” to the Department to fund OIT are a great source of confusion and require much time to gain agreement. Just the process for initiating an effort and the cost to provide an estimate is quite lengthy in many, but not all, instances.
  - Business knowledge: The unique nature of each business or function within the Department and the challenges they face require a multi-disciplinary team with each member bringing functional expertise including legal, finance and program. A representative who is part of the business, who understands the business as well as technology is essential to define short and long-term solutions.
  - Resource management: OIT must balance fully funding its staff while meeting needs of the Departments. The issue is shifting people to meet needs where they may not have the expertise to do the job.
  - The current system has no structural incentive for a focus on quality. OIT’s focus is on operations and funding. DHHS bears all of the liabilities for non-compliance, missed or late deliverables. DHHS cannot hold OIT accountable in any substantive way as we would with an external contractor.

#### **Functions to remain in OIT**

- The transition from control of the application and supporting infrastructure by DHHS prior to the establishment of OIT in 2003 to the present has had a number of challenges. Fundamentally, however, DHHS believes that several support services should remain centralized. These include:
  - Help desk
  - Desktop support and maintenance
  - Network infrastructure design and maintenance
  - Network operations
  - Data center operations: system and network administration
  - Setting of standards
  - Hardware procurement
  - Shrink-wrapped software procurement
  - Desktop software procurement

- These services, while appropriately maintained in a centralized environment do have a number of shortcomings that must and can be addressed within the current OIT framework.
  - Procurement process for standard hardware and software components is problematic due largely to poor communication. OIT needs to see each Department as its customer. This means communication of status, both good and bad, providing complete solution and being responsive.
  - OIT is a complex organization as well and each agency needs a single point of focus to resolve issues that need escalation.
  - OIT and the Departments should consider some form of "service level agreement" to establish baseline expectations appropriate for the supporting function

May 23, 2005

The Honorable Charles W. Morse, Chair  
Senate Finance Committee  
Room 304  
State House  
Concord NH 03301

Dear Senator Morse

This is in response to your request of May 5, 2005. In that request, you have asked for an analysis of the Department's IT costs over the past two years, as well as projected costs for SFY 2006 - 2007 should all IT functions be restored to State agencies in a manner similar to the situation prior to the creation of the Office of Information Technology (OIT).

At this point, I cannot provide credible financial data within the time frame requested by your letter. This matter is complex and merits further analysis and discussion. I certainly do not want to offer you hastily prepared information that subsequent scrutiny shows to be incomplete. I do believe the current structure and mission of OIT must be reassessed to determine if the appropriate value is being delivered for the investments, and I would like to share several of my thoughts with you regarding New Hampshire's management of IT.

I fully support the centralization of certain IT services within State government. This centralization is appropriate, cost effective and just makes common sense. My Department has undergone a reorganization lasting well over a year. A key to this reorganization has been my strong belief in a "shared services" support model for the provision of administrative services to our program divisions. This model sets the stage for the Department to streamline its operations through uniform and consistent processes across the organization. The structure further enables us to maximize use of resources. I believe that a shared services model for the provision of certain Information Technology support services, similar to what I have done within DHHS, will ultimately save the State money while providing agencies with the support necessary to accomplish their individual missions. The key question that needs to be answered is which array of IT services belongs in a centralized organization and which belong in the business entity.

When conceived, OIT was a vehicle to eliminate waste and make IT more efficient for State agencies, two laudable goals certainly supported by me in my role as Commissioner of the largest State agency. In reality, however, the concept quickly evolved into one more focused on saving money with less emphasis on ways to deliver services and products more economically and effectively.

The OIT organization consists of over 450 staff (over a quarter of which were transfers from my Department). Its structure is an "outsourced" model but one where the organization now tasked with delivery of systems, solutions and infrastructure lacks the ability to manage itself, let alone adequately support State government. It has no human resource function, administration or staff training in its organization. Partly as a consequence, the system by which DHHS and other agencies are "charged back" for services provided on their behalf is cumbersome and time

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consuming. The procurement process is inefficient, requiring central approval for any IT expenditure in excess of \$250. This is not the fault of OIT staff and its management. I believe OIT is committed to offer the best possible service within its capacity and has become as frustrated with the current system as have the business operations OIT is trying to support.

There are three key points in my thoughts.

First, a number of OIT services can and should remain centralized.

- Data center operations
  - System and network administration and operations for all business systems
- Technical support
  - Help desk, desktop support and maintenance, network infrastructure design and operational integrity
- Standards and procurement
  - Establishing standards for hardware and software enable the State greater buying leverage as well as economies in support costs
- Hosting of agency web sites

Second, where DHHS believes its interests are not being served by the current structure is in business applications development.

The complex nature of this Department's programs, and I assume of other State agencies, has required, and will require in the future, extensive IT investments. It is clear that trends and requirements at the federal level, which drive many of our programs, underscore that IT will become increasingly strategic as we look to streamlining, transforming and integrating silos of service delivery.

Several of the base transaction systems in this Department are old by IT standards, and each will require substantive financial and human resource commitments over the next several years. Most visible of these is the development of a new Medicaid Management Information system (MMIS) for which a vendor will be selected shortly. The cost of this replacement system will be in the vicinity of \$25M.

As the Single State Medicaid Agency, the Department is the designated entity responsible for working with our Federal partners to acquire advanced approval for critical federal financial participation and obtain federal matching funds for the system implementation. Ultimately, the Department is held accountable for implementing required system functionality and meeting compliance expectations. We would be subject to financial sanctions for deficiencies or non-compliance.

Another example of an aging system is our New England Child Support Enforcement System (NECSSES), a mainframe system designed in the mid-to-late 1980's and operational for 15 years. The need to replace NECSSES is at hand, and costs for this new system will probably exceed \$5M. The MMIS replacement is federally required, while Child Support systems must meet certain federal standards to avoid financial penalties.

The Department has newer systems too, which require extensive maintenance. Most of our financial assistance programs are supported by NEW Heights, which is also a primary feeder of client data to other systems. Contracted maintenance costs of NEW Heights are several million dollars annually.

Designing these systems, designing changes and modifications to meet continuous federally required changes, testing program-related changes prior to implementation and maintaining systems all require an intimate knowledge of the particular business supported by that system. The current OIT structure, where the applications development resources, including business system analysts, the project leads and the system developers reside in a centralized organization, with no direct oversight by the business responsible for the outcome, is inappropriate and fraught with risk.

These large application systems provide the foundation for the Department to operate its business effectively. DHHS interacts with literally thousands of providers and partners in the communities throughout the State. The potential to transform our business and to reduce operating costs in the long term is possible with the next generation of applications. To seize the real potential in the investments for both transaction systems and Internet enabled applications, it is essential that the application of any technology be based on solid understanding of the business.

The development and deployment of applications requires constant coordination at all levels between the business and the project team. While success is not guaranteed where the program is managed and controlled by the business, no instances exist where a business has given control to an IT organization for the management of the system.

Third, I believe we now have the opportunity to take a comprehensive look at IT overall to determine the most appropriate placement of functions in a centralized environment and those functions most appropriately located in the business. Pursuit of this opportunity would include identification of the cost implications requested in your letter.

I believe that there are efficiencies and cost savings available to the State, but to achieve these requires a review of the overall functions of IT and determine where is the most optimum location for these functions. My Department would be pleased to participate in such a review.

I thank you for the chance to share these thoughts with you.

Sincerely,

John A. Stephen  
Commissioner

**From:** Getz, Tom  
**Sent:** Friday, June 17, 2005 4:04 PM  
**To:** 'peter.croteau@oit.nh.gov'; 'rebecca.bolton@oit.nh.gov'; 'john.oneal@oit.nh.gov'; Howland, Debra  
**Subject:** FW: IT Council -Review

-----Original Message-----

**From:** Daly, Katharine [mailto:Katharine.Daly@NH.Gov]  
**Sent:** Friday, June 17, 2005 2:35 PM  
**To:** Getz, Tom  
**Subject:** IT Council -Review

Tom:

The Commission for Human Rights is one of the smaller agencies which I believe was the intended beneficiary of some of the consolidation that went on within OIT. We have 8 employees (9 if fully-staffed). We are not in a position to justify hiring people to take care of our computer system, nor do our staff have the expertise or time to master the skills necessary. The most efficient service for us is one where, when we need it, knowledgeable IT people are available to us. The kinds of assistance they have given us so far are:

- advise and recommendations on planning and implementing an agency-wide system with PCs and LAN
- Getting us onto the internet and email
- installation of software
- Helpdesk
- Installation of a new computer sent to us by EEOC to which we will have internet access in September

Getting people on call for us to use for the ordinary types of tasks a small agency like ours needs: advice on buying new equipment, repairs, installation, and website improvements, is efficient for us.

Sincerely,

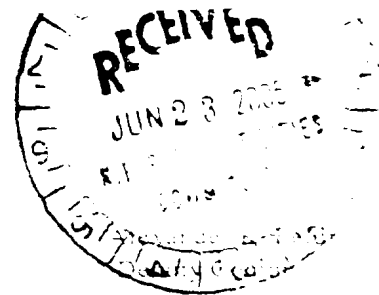
Katharine

Katharine A. Daly, Executive Director  
 NH Commission for Human Rights  
 2 Chenell Drive, Concord, NH 03301  
 603-271-6838



# THE STATE OF NEW HAMPSHIRE INSURANCE DEPARTMENT

21 SOUTH FRUIT STREET SUITE 14  
CONCORD, NEW HAMPSHIRE 03301



Roger A. Seavigny  
Commissioner

June 21, 2005

Tom Getz, Chairman  
Public Utilities Commission  
21 S Fruit Street  
Concord, NH 03301

RE: OIT Service Consolidation and Structure

Dear Tom:

Earlier this month you asked each Department to review the effectiveness of its Information Technology ("IT") service since the consolidation of the IT personnel and the creation of the Office of Information Technology ("OIT"). The following is a summary of how our Department has been affected:

1. Budgetary costs have not risen.

The OIT budget request we made for FY 2006 and FY 2007 reflects two budget reduction items: first, the lower cost for maintaining and supporting our technology needs due to our use of a hosted software system purchased with FY 2005 funds; and second, the reduction in service that we have received from OIT since our conversion into one of their supported agencies.

Since OIT is still in its inevitable growing phase, there are some expected delays and a reduction in the services provided while they struggle to gain their feet. While we, as a Department, understand and support any action the State takes to cut costs and gain efficiencies, we do have some concerns. One concern is centered on the fact that should any of our budgeted purchases not make it through the OIT pipeline and we have money left over at the end of any fiscal year that money would lapse into the General Funds. If any other line item in our budget were not spent down, these funds would be returned to the Insurance industry by lowering the statutory Assessment on the industry for the next fiscal year. The OIT line item is the only line in our Department's budget with the restriction that the funds cannot be reimbursed if not used.

Although we cut our budget in the short run, we cannot continue to maintain effective and efficient systems with the current budget. This was a short-term fix to a problem we had no control over.



June 22, 2005

2. Purchasing of equipment is much more cumbersome, untimely and inaccurate.

It has taken much longer to purchase any piece of equipment or to get services from OIT than we had anticipated and experienced previous to the consolidation. It has taken months to get some items under this new system where the prior normal turnaround time would have been a matter of two weeks. Not only are there extensive delays, there are very significant inaccuracies as well. These inaccuracies seem to occur because our requests get bundled into another agencies' larger purchase for cost efficiencies but there is no care to be sure that the individual agency gets what it ordered originally. When the order arrives inaccurately, it is very difficult to untangle and correct because the vendor does not acknowledge that each agency has an interest in a part of the order. The vendor views the order as one large order and will not allow us to help correct the problem. They must rely on OIT. This puts OIT in the middle of an ordering and delivery problem that can then take much longer to correct due to having fewer staff and not having the first hand knowledge of what was ordered and why.

We have also had other problems on these orders where our items get bundled with other agencies. When it comes time for the Vendor to provide maintenance or support that Vendor has refused us service because according to their records, we do not own the software or hardware, another agency or OIT does.

These issues could be addressed if OIT were fully staffed with the business support required to follow through on these types of issues and if they had better internal controls in place.

3. Project management issues

We experienced some of the growth pains with OIT in the process of developing an RFP based on a long-term strategic plan for the Insurance Department. While the group on the whole was very helpful and knowledgeable, there were several times where the lead OIT person was reassigned to other duties in the middle of the process and we had to rely on a new person. The most frustrating thing was that each time this happened and we got a new person, it was never even the same one as the one who had replaced the lead person on any prior occasion. Given the complexities of our proposed IT solution this meant that each new person spent a large amount of time trying to get up to speed. Inevitably the original lead person was restored after some time and we went ahead, but we did lose a significant amount of time in the process. This could have been avoided had OIT had more personnel to spread out to these types of projects.

4. Human resources

From our agency's business perspective, we do miss being able to make our own decisions about what our OIT personnel do and how they perform their functions. It is also apparent from their current work ethics that these folks still feel allegiance to the Insurance Department, which we appreciate. The problems arise however, when these folks are asked to change their functions in a way that makes them feel like they are reporting to two competing masters asking opposite things of them. Some of the reasons this happens is that when OIT makes rules or enforces their procedures, they believe that only

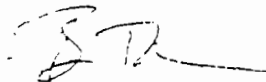
June 22, 2005

their own personnel should know of these procedures. Since OIT is an integral service provider, as their customers, we should be informed of these procedures as well so that we can understand the push back from the personnel without making them feel like they are caught in the middle. If we could be kept informed when OIT is initiating any new procedures that will affect how and what we purchase, address security issues or how we handle application or development requests and procedures, it would greatly alleviate the tension created between the agency and OIT.

Overall, we have not experienced significant problems since the consolidation of resources under OIT except in the areas of Purchasing and Budgeting. These could still both be solved by allowing OIT to hire the support staff they need and for them to work out the internal procedures necessary to support the state agencies and still be cost efficient.

Please let us know if you have any questions or if you need any further information. I can be reached at 217-2261 if you have any questions.

Sincerely,



Barbara D. Richardson  
Director of Operations

cc: Peter ... - Office of Information Technology  
Roger ...  
Alex ...

**JOINT BOARD OF LICENSURE AND CERTIFICATION  
STATE OF NEW HAMPSHIRE**

100 Water Street  
Concord, NH 03301-1000

25 Keegan Drive  
Concord, NH 03301-1000

100 Water Street  
Concord, NH 03301-1000  
Tel: 603/271-1000  
Fax: 603/271-1001  
www.nhlicenses.com

**MEMORANDUM**

**Date:** June 10, 2005

**From:** Louise Lavertu, Executive Director  
NH Joint Board of Licensure and Certification

**To:** Tom Getz and Peter Croteau

**Re:** OIT Survey

Delivered via e-mail

I am writing in response to your June 6, 2005 request for information regarding the IT concerns of the Joint Board of Licensure and Certification. The Joint Board expended approximately 1,748.30 for FY 04 and 1,480.50 for FY 05 for IT services and equipment. The Joint Board has budgeted \$2,000.00 for FY 06 and 2,500.00 for FY 07 for IT equipment. The indirect costs allocated to the Joint Board by the Office of Information Technology (OIT) are 10,514.00 for FY 06 and 10,405.00 for FY 07. The Joint Board receives no services from the OIT. I have questioned the large charges to the Joint Board budget and have been informed that the charges are for indirect costs and costs for web development services. The Joint Board performs all web development in-house and receives no web development services from the OIT. Charges for services that are not provided are unacceptable. I have questioned the OIT staff repeatedly about the justification for these charges and have received no explanation.

The Joint Board could perform all required IT services for less than half of the class 27 OIT charge to the Joint Board. It is unfortunate that the Joint Board and our licensees will have to pay for services we do not receive.

In addition to the concerns expressed above, has been the OIT involvement in a contract issue with New England Interactive, the provider of the Joint Board's online licensing program located at [www.nhlicenses.com](http://www.nhlicenses.com). Commencing in February 2002, the Joint Board was the first State agency to offer on-line licensing services to its constituents through the State's E-government pilot program. The Joint Board's E-licensing program includes renewals for Professional Engineers, Architects, Land Surveyors and Geologists, reciprocity licenses for Professional Engineers and Architects, engineer and land surveyor examinations and business organization licenses. Approximately half of the Joint Board's annual revenues are currently collected on-line.

Staff at OIT took steps in 2004 and 2005 to dissolve the contract between the State of New Hampshire and New England Interactive, our on-line vendor without input or notification of the users i.e., the Joint Board and the Board of Accountancy. Staff from the affected agencies discovered

June 10, 2005

out about the impending loss of our on-line licensing program inadvertently. Action by the OIT to end a contract that provides such a valuable service without input of the users is unacceptable. In order to protect our investment and to rectify the situation, which is still pending, staff of the affected agencies has had to become extremely pro-active with OIT. If not for the actions of affected agency staff, the on-line program would have ceased to function on June 30, 2005.

- ✓ My suggestions for improvement of information technology management in State government is to decentralize information technology immediately and return IT responsibility to the agencies.

If you would like further information or explanation please do not hesitate to contact me. I would be happy to meet with you. Thank you for your attention to this situation.

June 17, 2005

Mr. Peter Croteau  
Mr. Tom Getz  
Co-Chairs, Service and Consolidation  
and Structure Review Committee  
c/o Office of Information Technology  
27 Hazen Drive  
Concord, NH 03302

RE: Requested response regarding OIT Service and Consolidation in memo of  
June 6<sup>th</sup>, 2005

Dear Peter and Tom,

Thank you for the opportunity to respond to our concerns regarding OIT support, responsiveness, approvals and structure. As has been attested to by a number of OIT folks, including you Peter, and Barbara Hoover, the Department of Justice somehow fell through the cracks in a number of areas with regard to OIT services during this transition that has made the support, budgeting, and purchasing process much more difficult than necessary. We continue to work through those issues as they arise and are encouraged by now having an OIT liaison, Rebecca Bolton, assigned to DOJ. We have seen improved responsiveness and follow through, which makes me hopeful for the future.

While there are a number of smaller areas of concern, I am hopeful to work through those and will concentrate this letter on our main concern, that being OIT support for ProLaw and FileNet. As you know, we are a law office with the nature of our work deadline driven, often set by the courts. This requires immediate responsiveness when our IT systems are down or not working properly. The number of lawyers in our office has diminished rather than grow over the last several years, while legal matters handled by this office have grown exponentially. Changes in the laws have only increased our workload, especially with regard to a recent Supreme Court ruling in which the Supreme Court now accepts all criminal appeals and most civil appeals, with our office having to respond to all of those appeals. The criticality of the ProLaw software program to our office operations can not be understated. It is vital to our function, to our ability to track and report on the progress of our cases (many times to the legislature), it is the repository for all legal documents related to each of these cases, and provides the data and support for statewide timekeeping billing for the legal component of SWCAP.

Pre-OIT we had two IT positions: (1) our present Technical Support Specialist IV position who is responsible for DOJ network operations and security as well as desktop

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support and, (2) a Technical Support Specialist II who was to be dedicated for ProLaw and FileNet support. The present TSS IV is extremely busy and can not absorb these additional duties. While we can certainly enter into a specific contract with ProLaw to enhance the training our lawyers receive with regard to case entry, this will not substitute for the following:

- ❑ Practical knowledge of SQL Server 2000 (importing data, exporting data, use of query analyzer, queries) and general knowledge of SQL
- ❑ Programming experience using MS-Access 2000, especially as it integrates with ProLaw
- ❑ Programming aspects of interconnectivity of ProLaw and FileNet
- ❑ Knowledge of Microsoft Windows 2000/XP operating system
- ❑ Practical knowledge of the ProLaw program to better address the needs of the Bureaus to develop custom screens and reports
- ❑ Knowledge of Software Development Life Cycle
- ❑ Database Management
- ❑ Help Desk Tickets

This new case management system had been planned for many years with the IT support necessary to preserve its integrity, usefulness and dependability factored into our budget for SFY04/05. At the present time, help desk tickets in this area are being responded to, albeit slower than we are comfortable with. Ten percent of Jeff Niven's time is a far cry from the full time person we had in our budget for this biennium for this purpose. Further, routine database maintenance is being deferred thus degrading the value of our data each and every day. As discussed with you, Peter, and with Barbara Hoover at a meeting here at DOJ several months ago, I need and have committed to fund minimally, a person for fifty percent of their time in the SFY 06/07 budget, via class 027, in hopes of curing this problem. My expectation is that it be one individual who can learn the specifics of our office, in an effort to minimize training and rework on our end. I believe that would be most efficient, especially given the lean staffing we have and would minimize repetition. Absent that compromise, I would like to have discussions with OIT to bring that position back into DOJ full time to address our concerns. I know I don't need to convince OIT about the necessity of proactively managing a system as critical as ProLaw and FileNet are to the Department.

I would be happy to sit down with you and discuss this in more detail if you believe that would be helpful.

Sincerely,

Linda M. Hodgdon  
Director of Administration

Cc: Michael Delaney  
Chris Basha  
Rebecca Bolton

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**From:** Getz, Tom  
**Sent:** Monday, June 13, 2005 5:52 PM  
**To:** Howland, Debra  
**Subject:** FW: OIT Service Consolidation and Structure

-----Original Message-----

From: Melissa Knight (mailto:MKnight@labor.state.nh.us)  
 Sent: Monday, June 13, 2005 11:25 AM  
 To: Getz, Tom  
 Subject: OIT Service Consolidation and Structure

Tom,

Below, please find the organization of, and recommendations for, NHDOL's IT infrastructure. Should you have any questions please don't hesitate to contact the Commissioner's Office at 271-3171. Sincerely,

Melissa Knight  
 Office of the Commissioner  
 NH Department of Labor  
 95 Pleasant St.  
 Concord, NH 03301

To: Department Heads  
 From: Tom Getz and Peter Croteau  
 Re: OIT Service Consolidation and Structure  
 Date: June 6, 2005

At the Department Head meeting convened by Governor Lynch on April 1, 2005, a number of agency representatives expressed concerns about the effects of the consolidation of their IT resources into the OIT structure. The fact of such consolidation-related concerns was raised at the initial meeting of the IT Council on April 19, 2005. As a follow-up, the formation of a Service Consolidation and Structure Review Committee was approved at the IT Council meeting on May 17, 2005, to be co-chaired by Peter Croteau from OIT and Tom Getz from the PUC.

The goal of the Review Committee is to identify whether aspects of consolidation may not be working effectively and, if so, to determine if such issues can be rectified within the OIT framework: "unwound" or returned to agency control; or, addressed through another structural or organizational mechanism. Features, services or functions that fall under this review include, but are not limited to: purchasing, network operations and security, custom application and software development, desktop support, human resources, such as staff allocation and productivity, planning and assessment, and project management.

Please provide, by June 17, 2005, a detailed description of areas that you believe are not functioning effectively for your agency, the source of the problem as you see it, and recommended actions, such as, reform within OIT,

return to agency, or restructure in some other fashion. If applicable,

please categorize concerns in areas of responsiveness by OIT, agency management control, or cost. If you can categorize specific concerns in some general manner, it will be useful to the Review Committee, which, if it is determined there are areas to be unwound, will be attempting to establish a set of principles to guide its recommendations for further action.

NH Department Labor's IT Infrastructure:

    \* Six IT Staff

                    o One Application Development Specialist V (IT  
 Leader and IT Liaison)  
                     o Three Application Development Specialist IV

- o One Application Development Specialist III
- o One Technical Support Specialist

IBM AS/400 mainframe

- o Installed in 1990 and host cobol applications that drive all processes here at Labor
- o Includes over 1,000 programs and 100 data files

Electronic Document Management and Workflow system

- o Installed in 2001 and manages the electronic paper flow of all major processes
- o All incoming and outgoing mail and correspondence is scanned into this system and the paper versions are destroyed.

NH DOL Web Site

- o Provides public with information on Labor s laws and rules, allows for online submission of multiple state forms such as Safety Summary Form, Workers Compensation Coverage questionnaire response, etc....

Email and Internet Access

- o NHDOL currently administers their own mail server, but gains access to the Internet and mail through the NHSUN network.

#### NHDOL Recommendations

The NH Department of Labor's (NHDOL) IT group is mid-size to small compared to other agencies. The current OIT structure creates many inefficiencies and duplications of work. The goal for OIT was to centralize processes in an effort to become more efficient and effective. The net result has been the opposite. NHDOL has seen the level of IT service diminish and become less efficient and less effective.

The NHDOL views the IT group of six located here at NHDOL as a core group that is required on-site full-time to support, maintain and develop the IT infrastructure here. This group is not available to be shared with other agencies and their salaries and benefits are billed back 100% to NHDOL. These staff should revert back to employees of NHDOL.

The NHDOL has many issues with the OIT Purchasing process. OIT approvals normally only require a day to two and NHDOL has no issues with this process. Money for IT purchases should stay within the agency and not be placed under the OIT 027 account. The process for purchasing IT equipment using the OIT 027 account is inefficient and prone to errors. NHDOL submitted an IT purchase request on February 14th, 2005. The item was a standard printer from the OIT standard printer list and was for the Commissioner's secretary, all this was stated on the IT request. The printer was not received until April 12th, 2005, two months from the request date. Too many of NHDOL orders are either lost or incorrectly conveyed to Purchase & Property.

NHDOL would like to see a pool of IT resources to supplement their staff and infrastructure. NHDOL cannot possess in-house a high level of expertise for every aspect of technology it utilizes. This OIT pool of resources should develop and maintain standards and provide guidance and assistance when needed to agencies. These services could be billed back to the agencies as used.

#### OIT Effects on NHDOL IT Staff

The four Application Development Specialist here at NHDOL have seen little change since joining OIT. The changes they see are mostly in the human resource area, because they are now required to do things for themselves or communicate with someone downtown rather than utilize the HR staff here in the building. These four Application Development staff is a core group that develops and mostly maintains the applications existing here at NHDOL. These applications are unique to NHDOL and require background knowledge business processes to develop and maintain them. The OIT impact has been slight on these four, but it has been a negative one.

The one Technical Support Specialist here at NHDOL has been positively impacted by OIT. This person deals mostly with off-the-shelf software and hardware that does not require any prior knowledge of the NHDOL business processes. This person has benefited greatly by having a network of other OIT staff to call on for assistance. This staff member is still impacted negatively regarding any HR issues, but these are slight. This staff member is our primary Technical Support person and is not available to be shared with other agencies. At one time we had two Technical Support positions, but when one resigned we left the position vacant thinking we'd receive backup from OIT. This remaining staff member is unable to properly perform all their duties and we are considering hiring a part-time backup to assist. The OIT impact for this staff member has been positive, but we see no reason this positive impact could not remain while being a direct NHDOL employee.



NHDOL's IT liaison sees the largest impact by OIT. This impact has been both positive and negative. The small to mid-size IT group requires this position to manage the IT group, work closely with every group member and also be responsible for some of the day-to-day design, development, or troubleshooting tasks. OIT has required this staff member to take on many new duties. Attending bi-weekly IT leader meeting facilitated by OIT CIO Rick Bailey has been beneficial at keeping an awareness on many events and changes that could impact NHDOL. Attendance at bi-weekly IT Liaison meetings provides networking with IT liaison counterparts throughout the state. Many of the other additional duties are tasks previously taken care of by a NHDOL's human resource person. These tasks range from reading and replying to a slew of emails regarding policy changes, requests to attend seminars on how to fill out forms, or requirements to coordinate sexual harassment training, etc... These tasks are still performed by NHDOL's HR staff for NHDOL staff, but now are a required duplicated effort placed on these OIT staff located here.

#### Duplication of HR Staff responsibilities:

- \* Paychecks: Paychecks for OIT employees arrive from an OIT carrier the Thursday before each Friday payday. This requires one of the two staff members authorized to sign off on these checks to be here when they arrive. NHDOL's senior HR staff and the IT Liaison are the two authorized staff. This is a duplication of effort by NHDOL's HR staff and the IT Liaison.

- \* Personnel Files: NHDOL's HR staff no longer administers the personnel files of the OIT staff located here at NHDOL. NHDOL OIT staff must communicate with OIT HR staff located downtown via phone, email or driving downtown if required.

- \* Supplies: OIT staff located here at NHDOL are now responsible for ordering and inventorying their own supplies such as paper, pencils, pens, etc... This is a new function and responsibility placed on IT staff here at NHDOL. This function was always performed for them by NHDOL staff, which continue this function for their remaining NHDOL staff. This is a duplication of effort.

- \* Other HR Policy changes: IT Liaisons are inundated with emails regarding seminars on policy changes and how to fill out forms, and which forms to fill out, regarding HR functions. The NHDOL's HR staff are still performing these responsibilities for NHDOL staff, but now these duplicated responsibilities falls on one of the six IT staff located here at NHDOL, because the OIT policies may be slightly different than those here at Labor.

- \* Time Tracking of leave: OIT has developed and implemented a web site that allows staff to submit their leave requests online, and for the IT managers to approve or deny online. This web site falls short in many ways and have created negative impacts.

#### OIT Purchasing:

This portion of OIT is the most inefficient and ineffective of all. The staff at OIT Purchasing work hard, but work in a process designed for failure. The first design failure is there is only two to three staff trying to perform what was done by 20 staff throughout the state. The second design failure is that these staff are required to complete purchase orders detailing intricate configurations on computer equipment they know little or nothing about. Either of these design failures by themselves is a problem, but combine these and you have a recipe for a disaster, and that is what has occurred. NHDOL's IT Liaison spends too much time every week confirming orders were received, being processed, checking accuracy, and then correcting mistakes in orders. After NHDOL receives the equipment, we're unable to properly inventory them because we have no access to the purchase orders. Every item over \$100 is required to be inventoried and tied back to the purchase order. The best and most efficient time to inventory an item is when it first comes in. Open up the box, verify all is there and in good order, sticker it with the inventory number, enter it into the inventory system with the cost, purchase order number, serial number, and etc.

The agencies should be required to obtain an OIT approval on purchases, but should work with Purchase & Property directly to minimize errors and inefficiencies. The agencies should be completing the purchase orders allowing them to maintain accurate equipment inventory systems.

- o One example of many is a recent order placed in mid-April for 4 servers with specifications for each server. After 2 weeks we checked in and found they were ordering the wrong servers. Three weeks after that we checked in again to find the order was at purchasing, but was unable to see the actual order, so had to assume all was well. On June 2nd we received a call regarding the order. OIT had submitted the order to purchasing. They had 4 servers listed and lumped all the specifications together in a separate section. The vendors bidding on the order had no idea what components went with each server. The bidding was unable to move forward until NHDOL IT staff and others got involved, but more importantly this shows that the staff translating and placing these orders to Purchase and Property do not have the expertise required.

LIQUOR

**STATE OF NEW HAMPSHIRE**  
**INTER-DEPARTMENTAL COMMUNICATION**

**TO:** Tom Getz & Peter Croteau

**DATE:** June 15, 2005

**FROM:** Craig W. Bulkley, Chief  
Bureau of Administrative Services

**OFFICE:** Liquor Commission

**SUBJECT:** OIT Issues

This memo is in response to your memo requesting detailed information regarding issues or problems relating to the new OIT structure.

The Liquor Commission took a "wait and see" position when the creation of OIT and the consolidation of IT resources was announced. The commission's primary concern all along has been that our ability to function, to service our retail stores, to serve our customers, and to maximize profits for the General Fund should not be adversely affected.

While we did not see any issues with consolidating things like email servers, we did have concerns for the potential loss of personnel, any adverse impact to our ability to service our equipment in a timely manner, to receive supplies and equipment in a timely manner and to manage our assets in a way that minimized any impact to our daily operations.

The Logistics Unit of OIT has mismanaged many purchase requests we have submitted for items like a bottle of cleaning fluid to software update requests. These requests have either been delayed for weeks on end, or we get things for which we never asked. Then it takes weeks for them to take the corrective action to return items and properly credit our account(s). This has also impacted our relationship with certain vendors who refuse to send us products because of the exorbitant delay in their receiving payments.

The Logistics Unit lacks a clear understanding on how to obtain software upgrades and software support. Because of this, simple requests are delayed or completed in duplicate or triplicate. Wrong accounts have been used to draw expense money for these purchases.

Our OIT liaison, as well as several employees within our finance section, has had to dedicate many hours to auditing these transactions. Regarding the posting of expenses to incorrect accounts and the unacceptable delays in the procurement and payment process, it is unclear to us whether this is a symptom of inadequate staffing or some other issue.

Our three commissioners believe that our IT functions, personnel, and appropriations should be returned to Liquor Commission control. The consequences of a major failure of service support, the inability to deal with a crisis in a timely manner, or the loss of key personnel are too great to risk.

cc: NHSLC Commissioners

# IT ISSUES AT THE LOTTERY

1. Purchasing – using OIT has been very slow; buying direct was more efficient.
2. New computer installation – OIT should have a team of employees for installing PC's. these should be installed in days not months from date of delivery to the agency.
3. Software – OIT should be able to provide a pool of software experts to help agencies on the many different applications that we all are running.
4. Website update – If the current IT employee is not available how do we get immediate help?
5. Technical help – We do not have any in-house technical help if the current IT person is not available for hands on help.
6. Billings – It has been a difficult process to review the IT billing.

Due to the Lottery unique IT needs, we need very knowledgeable OIT person(s) resident in our office. If only one OIT person is resident, then another off site person who is just as knowledgeable should be readily available to be called upon for emergencies. Our operation is not limited to 8:00 a.m. to 4:00 p.m., we also may need IT services at nights and weekend.

Georges Roy

271-3391 x304

**From:** Getz, Tom  
**Sent:** Friday, June 17, 2005 4:05 PM  
**To:** 'rebecca.bolton@oit.nh.gov'; 'john.oneal@oit.nh.gov'; Howland, Debra  
**Subject:** FW: OIT Service Consolidation and Structure

-----Original Message-----

**From:** Patti Edes [mailto:pedes@pec.state.nh.us]  
**Sent:** Friday, June 17, 2005 3:20 PM  
**To:** Getz, Tom; peter.croteau@oit.nh.gov  
**Cc:** 'Kathryn Dodge'  
**Subject:** OIT Service Consolidation and Structure

Good Afternoon Tom & Peter,

Executive Director Kathryn Dodge has asked that I forward the following e-mail to you in response to the "OIT Service Consolidation and Structure" Survey.

"We are a small agency (6 employees) with no one person proficient in information technology matters. We are not a revenue generating agency and 97% of our general fund monies are awarded to N.H. students for financial aid.

We have two servers, one to connect all employees to shared files and one to house a PowerFacts software program networked to three employees. Tapes are changed daily for backup. Because there is no one proficient with the networking, requests are made to the Office of Information Technology when there is a problem. Requests are also made to OIT for all computer related problems. I would like to more fully understand the implications (cost and responsiveness) of moving our servers to OIT and managed by staff there before making a recommendation.

One problem we have encountered since we were requested to initiate work orders when we require assistance from OIT is the invoicing. We have received invoices, but cannot match the work to the invoice and suggest another mechanism be put into place, e.g. using work order numbers. Thank you.

Kathryn G. Dodge  
 Executive Director

Patti

Patti Edes  
 Assistant Secretary for Information Technology

N.H. Postsecondary Education Commission  
3 Barron Court, Suite 300  
Concord, NH 03301-8543  
Telephone: (603) 271-2555, Ext. 351  
Fax: (603) 271-2696  
E-Mail: [peces@pec.state.nh.us](mailto:peces@pec.state.nh.us)

**From:** Getz, Tom  
**Sent:** Monday, June 13, 2005 5:51 PM  
**To:** Howland, Debra  
**Subject:** FW: IT Council--Service Consolidation and Structure Review Committee

-----Original Message-----

**From:** Donald E. Mitchell [mailto:Donald.Mitchell@nh.gov]

**Sent:** Friday, June 10, 2005 9:16 AM

**To:** Van McLeod (E-mail; Steve Reno (E-mail; Stephen Taylor (E-mail; Stephen J. Curry (E-mail; Roger Sevigny (E-mail; Robert Leggett (E-mail; Rick Wisler (E-mail; Richard Flynn (E-mail; Richard C. Bailey Jr (E-mail; Richard Brothers (E-mail; R. Sean O'Kane (E-mail; Peter M Thomson (E-mail; Peter C. Hildreth (E-mail; Paul M Kelley (E-mail; Paul Ezen (E-mail; Paul B Franklin (E-mail; Patricia Russell (E-mail; Nina Gardner (E-mail; Michael Nolin (E-mail; Michael Ablowich (E-mail; Maureen Tully (E-mail; Mary Ann Manoogian (E-mail; Louise MacMillian (E-mail; Louise Lavertu (E-mail; Lee E. Perry (E-mail 2; Lee E. Perry (E-mail; Kenneth R. Clark (E-mail; Kelly Ayotte (E-mail; Keith Lohmann (E-mail; Kathryn Dodge (E-mail; Katharine Daly (E-mail; John Byrne (E-mail; John A. Stephen (E-mail; Jeanne Gerulskis (E-mail; Jack Donovan (E-mail; George N. Copadis (E-mail; George Bald (E-mail; G. Philip Blatsos (E-mail; Ed MacKay (E-mail; Donald S Hill (E-mail; Donald Mitchell (E-mail; Dennis Viola (E-mail; Charles Albano (E-mail; Carol Nadeau (E-mail; Carol Murray (E-mail; Bobby Stephen (E-mail; Beth Emmons (E-mail; Barry Conway (E-mail; Anthony C. Maiola (E-mail; Anna Mae Twigg (E-mail; William G. Simonton (E-mail; Getz, Tom

**Cc:** suzanne.kenney@nh.gov; peter.phillips@nh.gov; john.dolan@nh.gov; meagan.rose@nh.gov

**Subject:** RE: IT Council--Service Consolidation and Structure Review Committee

Dear Sirs:

In response to your memorandum dated June 6, 2005, thank you for the opportunity to provide a description of certain areas subject to technological applications within this agency about which I would like to comment. While these comments may not be responsive to your specific solicitation, I wanted to provide input from one of the active adjudicating smaller agencies: (with the caveat that my frame of reference incorporates only recent State service having been in the private sector for over thirty years)

- **Communication:** First of all, there is a need for a better understanding of what this agency can reasonably expect in the level of support it receives from OIT and its help desk.
- **Purchasing:** The experience of this agency leads me to conclude that the list of vendors is short and that when their prices for products and services are compared with the open market, those of the "approved" vendors are significantly higher. Similarly, the tech assistance rendered during the installation or LAN integration efforts within this agency has been, simply put, terrible to the point of my refusal to pay, in full, the proffered bills of these providers.
- **Training:** There is a lack of available and affordable IT training for agency employees. With much of the State's technology capacity employed by OIT, it would appear from our perspective that a short visit by a desktop tech to our office for an open "Q & A" could greatly increase our utilization of technology and improve the efficiency of our office procedure and adjudicative process with a resulting savings to the State. Additionally it would reduce the assistance necessary to aid this agency in technology application.

- Network Operations: This agency has a need for remote access to its computers, not just e-mail, but to allow our employees to access our LAN when they are outside of the office. Who has the responsibility to assist us in this regard? Also, I have the present understanding that our web site is served through the State Library as are those sites of other smaller agencies. However, notwithstanding that we have over a thousand case decisions in PDF that are not searchable despite the existence of software that would allow such documents to be searched. Would you advise small agencies to each host an independent server?

Thank you, again, for this opportunity to comment.

Sincerely, Don Mitchell

Donald E. Mitchell, Esquire  
Executive Director  
Public Employee Labor Relations Board  
GAA Plaza, Building # 1  
153 Manchester St.  
Concord, NH 03301-5143  
TEL: (603) 271-2587  
FAX: (603) 271-2588

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-----Original Message-----

**From:** Getz, Tom [mailto:Tom.Getz@puc.nh.gov]

**Sent:** Monday, June 06, 2005 3:00 PM

**To:** William G. Simonton (E-mail); Anna Mae Twigg (E-mail); Anthony C. Maiola (E-mail); Barry Conway (E-mail); Beth Emmons (E-mail); Bobby Stephen (E-mail); Carol Murray (E-mail); Carol Nadeau (E-mail); Charles Albano (E-mail); Dennis Viola (E-mail); Donald Mitchell (E-mail); Donald S Hill (E-mail); Ed MacKay (E-mail); G. Philip Blatsos (E-mail); George Bald (E-mail); George N. Copadis (E-mail); Jack Donovan (E-mail); Jeanne Gerulskis (E-mail); John A. Stephen (E-mail); John Byrne (E-mail); Katharine Daly (E-mail); Kathryn Dodge (E-mail); Keith Lohmann (E-mail); Kelly Ayotte (E-mail); Kenneth R. Clark (E-mail); Lee E. Perry (E-mail); Lee E. Perry (E-mail 2); Louise Lavertu (E-mail); Louise MacMillian (E-mail); Mary Ann Manoogian (E-mail); Maureen Tully (E-mail); Michael Ablowich (E-mail); Michael Nolin (E-mail); Nina Gardner (E-mail); Patricia Russell (E-mail); Paul B Franklin (E-mail); Paul Ezen (E-mail); Paul M Kelley (E-mail); Peter C. Hildreth (E-mail); Peter M Thomson (E-mail); R. Sean O'Kane (E-mail); Richard Brothers (E-mail); Richard C. Bailey Jr (E-mail); Richard

# Memorandum

**To:** Tom Getz and Peter Croteau  
**From:** Beth Emmons, Executive Director, NH Real Estate Commission  
**Date:** 6/20/2005  
**Re:** OIT Survey

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I am writing in response to your request dated June 6, 2005, regarding any concerns with the effects of the consolidation of IT resources into the OIT structure.

Software Development: The Commission, along with the Nursing Board purchased an off the shelf licensing database from System Automation Corporation through OIT, with the intention that this database will be purchased and utilized by various NH licensing boards and commissions. OIT was responsible for the bidding and selection of the vendor. OIT maintains the server that hosts this licensing database and a small number of OIT staff make changes required to the database, correct malfunctions and conversion errors through the assistance of System Automation. Due to a very low number of OIT staff allotted to this project, the timing of assistance can, at times, be very lengthy. This is a concern, especially when the change needed is necessary for the issuance of a license. Should the change take 2 to 3 weeks or more, the licensee is caused to be out of work, absent a license. This does not say much for State service. As more licensing boards or commission come on board, the timing of assistance will increase. If this service from OIT is to continue, it will be necessary for OIT to increase the support staff for this project.

Prior to entering into a contract with System Automation, I inquired on the functions of the database to ensure that our business functions would fit into the features of this database. System Automation and OIT staff assured me that this database would provide all functions needed. To date, the database does not fit our needs and only provides minimal functions, and requires additional labor time of Real Estate Commission staff.

The costs associated with this database are also a Commission concern. The Commission will be required to pay an annual maintenance fee to System Automation in FY 2006 of \$9,660.00 and \$10,798.00 in FY 2007. Should the Commission be required to pay additional expenses for the OIT staff for services performed on this database in addition to the maintenance fee, the Commission would be forced to discontinue utilizing the database where there is no money budgeted for such an expense. The Commission, under Class 027, will be charged for OIT services of \$8,190.00 in FY 2006 and \$8,137.00 in



June 20, 2005

FY 2007. Where this is the only OIT service utilized by the Commission. I assume this expense would be for this service.

Purchasing: It has been explained by OIT that they will be in charge of purchasing computer equipment and perform the payment process, and in turn, the various agencies will be required to pay OIT for this service. I feel this is an unnecessary service and should remain with each individual agency. This service will cause an unnecessary cost inflation to the agencies.

Other Costs: I do know that part of the charges to the Commission for OIT services that fall under Class 027 include charges for web development. The Commission website is developed and maintained by Real Estate Commission staff. OIT does not provide any web development service for the Commission.

Help Desk: The OIT Help Desk, I believe, is a very good service and should continue. The service and support we have received from the staff of the Help Desk has been very valuable.

In summary, if there will be additional costs charged to the Commission in addition to the amounts budgeted in Class 027, the Commission would not be able to pay for such services where there are no additional monies budgeted for these services.

Should you have any questions or concerns, please feel free to contact me at (603) 271-2749.

### **DRA Issues and Experiences with OIT:**

- X **Lack of OIT Communication** - OIT frequently makes system changes without notifying DRA in Advance. For example, the week ending March 4<sup>th</sup> two DRA employees experienced a swarm of viruses and immediately requested help. Upon inspection by our assigned DRA embedded staff, it was discovered that Ironmail was down and OIT had not notified us. Only after we inquired of OIT regarding the status of Ironmail did they send out a notice to let people know they were susceptible to viruses.
- X **Unexplained Folder Permission Changes** - Recently, it has become common for two or three users to suddenly lose all of their permissions to a folder, yet we did not initiate or request the changes which causes DRA to suspect that OIT is remotely accessing our folders and making unrequested changes.
- X **Windows Security** – Prior to the establishment of OIT, DRA had a server that managed every PC to make sure it had the latest and greatest windows security patches; we would approve the updates to the server and every day the server would send out the updates to the PCs that needed them. When we experienced a significant virus issue last year, OIT shut down this DRA Windows Security feature. Now when OIT initiates an update, our embedded staff must physically touch every PC to perform the update. It is a very long and cumbersome project. Our DRA Regional Drive location takes almost half a day with 3 people doing it because most of our assessors have their PCs with them as the work and travel out of the office all over the state.

Note: In March of 2005, DRA had configured the DRA server to automate all of these updates, however, we have yet to receive OIT approval to deploy these automated Windows Updates. When we inquire about the status of this approval, we do not receive a response. During the interim, we continue to invest significant time and resources conducting manual updates that could be automated.

- X **Local 75MB quota** – Around February 10th, one of our embedded staff was installing a new PC for a user. When she was logged out of her current PC and then logged on to her new PC, her new computer displayed a message that said her OS was unstable and that her profile and documents could have been lost. Upon further inspection it was discovered that her harddrive was set at only 75MB. Previous to this OIT had sent an e-mail indicating that everyone's default quota on the Appserver would go from 50MB to 75MB which meant that a local quota on the harddrives was pushed out from the server by OIT. We immediately notified OIT that if we lost power there was a potential that all DRA users who logged out and then back in could have experienced the same problem and all would have had to be manually restored. Had we not discovered this ourselves and notified OIT, the potential negative impact on our agency could have been significant.
- X **OIT Initiated Computer Name Changes** – OIT decided we need to change our computer naming policy to fit theirs. It does not make good business sense for our agency to do this. For example, our old naming convention was: DRA-CHE-XP-AUD-JD. What this told us was that this person worked at Chenell Drive, has Windows XP as an Operating System, and the user was John Doe. This told us exactly who John Doe is and what tools (ie: setup discs, drivers, etc.) might be needed to service the John Doe. OIT decided to change it to be: DRACHEAUD000360. It is much harder to read, and it only tells us the user is located in the Audit Division at our DRA Chenell Drive location. It doesn't tell us what OS they have, and it only gives us the tag number on the side of the PC. Now, to locate users, we have to check a database which is time-consuming, especially if their machine is propagating viruses.

- X **Procurement** – This process surely saves us money but while it does that it is still very slow. It takes a lot longer to receive equipment, even something as basic as USB mice. Another major flaw is because OIT is doing the purchasing things aren't going to the right agency, and staying there for months. We had a maintenance kit that was at another State agency and whoever had it failed to call over and ask if we needed it. It took about 6 months to get. Although the standards save everyone money, agencies may have been better served if each agency's needs were evaluated more carefully in advance.
  - X **OIT Initiated Server Name Changes** – OIT wanted to change our application server name from Appserver to CHNDRAFP1. The reasoning behind it was they wanted to OIT techs to be able to quickly identify it when they are accessing it remotely. Prior to doing this, DRA suggested we all meet to discuss the problems that occurred when changes were instituted at our DRA Regional Drive location. When we joined the REV domain over from the REVCS, there were users there that had to rewrite macros, and all sorts of database related links broke. One database alone used by many DRA staff is connected to almost 300 other documents. These documents (all 300) had to be relinked. And this was only one user that had to redo their macros and links. In order to make this organizational change, we would have had to changed homegrown applications, and anyone that had macros or documents that relied on the Appserver name would all need to be fixed. Had OIT initiated this changes without meeting with us first, there would have been a significant negative impact on our DRA staff.
  - X **SPAM** – before OIT, DRA never had a single piece of SPAM. Now, it is common to have 10-30 pieces of SPAM in mailboxes per day, even more depending what OIT distribution lists you are on; adding the Ironmail component was a solution that OIT had to implement to correct a problem that it appears they caused.
  - X **DNS issue with AS/400** – In February, 2005, shortly after OIT removed an "old DNS entry" on one of the servers, the AS/400 experienced issues sending mail notification to people who needed it about certain actions taking place. It took almost a week for two of our embedded staff to correct the problems created at DRA by the OIT removal of this "old DNS entry."
  - X **OIT Switch Lock Out** – In February/March, 2004, DRA experienced a significantly large virus issue, email and the Internet was down. While e-mail and internet access is convenient to our business functions, it is not nearly as important a business function as the ability to data enter tax returns and payments. While our embedded staff was working quickly to re-establish our data entry capabilities, OIT felt it more important to work on fixing email and the Internet. Our embedded staff finally used the console to get onto our switch and figure out what was wrong and promptly fixed the problems. Recently, our embedded staff attempted to jump onto the switch to troubleshoot some recent DRA issues we experienced, but he could not as OIT has since decided to lock our embedded staff out without our knowledge.
  - X **Reduced DRA Embedded Staff Privileges** – Recently, OIT required DRA embedded staff to justify DRA tasks and administrative privileges. As a result, OIT determined that most of our embedded staff administrative tasks would be taken over by OIT. This has already been implemented and now our embedded staff has to logon to the server with new names and limited privileges.
-

The board is a very small agency comprised of four full time members and eight staff. We, like many other small agencies, have no one on staff to support our IT needs. Since having some limited technical support from OIT, specifically, Mr. Matthew Moore, Department of Safety, during fiscal year 2005, the board has received outstanding emergency and non-emergency support. We have been able to solve many issues well within our budgetary limitations. OIT has billed the board for the support during the interim while anticipating signing a Memorandum of Understanding with OIT to become a partner agency in fiscal year 2006. In anticipation of receiving this permanent support, the board budgeted \$6,000 for fiscal years 2006 & 2007. It has been approved in the Governor's version of the budget and we are anticipating legislative approval as well.

During our many conversations with OIT staff, it has been expressed that our network setup and configuration is very "unorthodox" and not the standard used in other state agencies. OIT would like to see this changed and hoped to accomplish this in the upcoming biennium. Consequently, it is difficult for an outside vendor to service our system. In the past, each time an outside vendor was called a different technician was assigned and it was complicated and cumbersome to try and explain our system configuration before solving the issue. This meant more time spent in our office, thus, incurring greater charges to the agency.

In closing, if the board does not have the option of receiving support from OIT in the future, it would be expensive to the state and could negatively impact the services the board provides the citizens of New Hampshire.

**Michael A. Ablowich**  
STATE TREASURER



**Brian K. Deschenes**  
Information Technology Director

**THE STATE OF NEW HAMPSHIRE  
TREASURY DEPARTMENT**

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CONCORD, NH 03301  
(603) 271-8413  
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TDD Access: Relay NH 1-800-735-2964

To: Tom Getz and Peter Croteau  
Re: Response to OIT Consolidation and Structure  
Date: June 16, 2005

Gentlemen,

Please accept the following information below as response to your request for information in regards to OIT Consolidation.

Treasury has not been directly involved with any OIT consolidation initiative to date. So concerns of consolidating Treasury's IT services and resources have yet to be identified if not first discussed with OIT and Treasury's agency head.

Treasury currently facilitates it's own IT resources that are not general funded positions. Funding for these 2 current and 1 vacant positions is obtained through the Abandoned Property Division. Of these positions one is an IT Manager, one is a Systems Developer and the vacant position is a Tech support role. Of these positions Treasury deems them to be more than IT roles but also have nested business functions as part of its daily tasks, in the areas of Check disbursement, Debt management, Check Fraud Avoidance, Account reconciliation and Bank data collaboration as well as the fiscal year closing processes. Any attempts of consolidation would need to be carefully reviewed in greater detail.

Sincerely,  
Brian Deschenes  
IT Director  
State of New Hampshire Treasury  
25 Capitol Street  
State House Annex  
Concord, NH 03301



## New Hampshire Veterans Home

139 Winter Street  
Tilton, NH 03276-5415  
www.nh.gov/veterans

Barry E. Conway  
Commandant

Telephone: (603) 527-4400  
Fax: (603) 527-4402

To: Tom Getz and Peter Croteau

From: Barry E. Conway, Commandant

Re: OIT Service Consolidation and Structure

Date: June 16, 2005

This memo is in response to your writing of June 6, 2005, regarding OIT Service Consolidation and Structure.

The New Hampshire Veterans Home's IT program is focused on supporting our primary business function. This includes the need for specific clinical software as well as the addition of our new pharmacy system.

In the current biennium, the New Hampshire Veterans Home has had no indirect monetary costs associated with OIT as some agencies who are billed monthly for services. Currently, the largest effect has been the extra steps involved in ordering equipment, supplies and services with the imposed \$250 threshold. The time it has taken to flow requests through OIT just to access existing contracts negotiated previously by the State has been inefficient and has cost time and effort on our part.

Below please find more specific areas which are not effectively meeting our needs.

Communication: Requests to attend important meetings at OIT are sent out just a day or two prior to the meeting. If OIT requires information from the Veterans Home, we are expected to drop everything, compile and submit the information needed. This happens repeatedly. This information takes more time to plan and compile as it pertains to important projects such as capital budget justifications, etc. The various subdivisions of OIT personnel keep changing which creates a lack of continuity. The Veterans Home is a 24/7 operation, and there is no help desk support beyond the hours of 4:00 p.m. Monday thru Friday.

Purchasing: We have an extremely limited list of items we can purchase. There is such little difference between the specs for the high end PC and the other PC that we are allowed to order. Continuously needing to submit justification for the purchasing of equipment is time-consuming. One time it took over a month to make an emergency purchase of a replacement universal power supply. There are no specs available for items such as servers, switches, and routers, yet if we attempt to purchase one that does not meet these nonexistent specs, we are denied. After we purchase what they recommend, there is no available training or documentation to support these products in-house. The state has only one contract for software - Software House International. This leads to a noncompetitive environment.

**\$250 Limit:** We feel that it is unreasonable to force us to go through OIT for purchases in excess of \$250 as there are few items or services available for under that amount. As OIT has already negotiated a price on all standard hardware, software and most miscellaneous items, we have the right to administer our budget as we see fit. Additionally, the fact that the Veterans Home still must go through OIT as the first step in the procurement process - even for these negotiated purchases - is a redundant and unnecessary step. Complicating this, the actual ordering must be done through the Bureau of Purchase & Property. In other pre-negotiated contracts, agencies only need to file a single form in the purchases made through Purchase & Property. Even though OIT is turning over the approval process quicker these days, it is still a time consuming and unnecessary step.

We would support a process that would require OIT involvement for non-standard items or services that have not been negotiated as it would, for the most part, save the Home time and effort in doing it ourselves and feel that this is an area where the greater expertise of a central agency would be of benefit to most smaller agencies such as the Veterans Home. Even under that scenario, however, once an item has been researched and negotiated, the Home should not be forced to submit this information to another agency for the actual order.

The amount of time, delay and redundancy to process paperwork required to purchase items has a significant cost. Having to purchase maintenance agreements when we purchase Dell computers, for example, is an additional \$100 per computer. The amount of time placed on hold when calling Dell and waiting for a technician to spend 15 seconds replacing a part that we could have done ourselves is also an additional cost. We are also required to purchase less quality computers that we will have to replace on a more frequent basis - again going through the same lengthy process.

**Network Operations:** Plans to change the WAN are not shared. Monitoring is sporadic at best. Email is available offsite, but functions poorly. It is possible to read email, but other functionality does not work, even simple tasks such as replying or forwarding. Ability to access network resources after hours is available, but difficult to configure and manage.

**Document Management:** Many agencies use many of the same documents. Most of these documents are NOT available electronically. Many of them still use multipart forms and require typewriters. The forms that could be available in a central location are not, and the ones that may be available are impossible to find. This leaves the agency to create a version of the document. Multiply each form by the number of agencies equals a lot of wasted time. In addition to the statewide document management, there are no standards for the management of documents, often making document sharing and collaboration difficult.

**IT Planning:** The process for Information Technology Planning changes with each biennium. Each biennium, the forms, layout, and process are completely revamped. This creates a cumbersome process each biennium. Instead of updating the information on the previous plan, the entire plan must be rewritten from the beginning. OIT personnel have no knowledge or understanding of our agency's business functions, yet prioritizes all projects statewide.

I hope that you do not consider this as a criticism to the Office of Information Technology and its personnel. This is rather a critique of the system which agencies such as the Veterans Home are now made to work within. By taking a more systemic and efficient approach, we can all realize a better product and better results for the Veterans Home, OIT, and other state agencies.

BEC:amb

## ATTACHMENT 3



# IT COUNCIL SERVICE CONSOLIDATION TEAM

LAST NAME	FIRST NAME	TITLE	AGENCY	PHONE	E-MAIL
<b><u>Co-Chairs</u></b>					
Crolean	Peter	Director	OID ASD	2782	peter.crolean@oit.nh.gov
Getz	Tom	Chairman	PUC	6033	tom.getz@puc.nh.gov
<b><u>Core Agency Representatives</u></b>					
Barlow	Mike	Financial Data Manager Director of Public Works & Transportation	Admin. Services	1500	michael.barlow@nh.gov
Marshall	James	Taxpayer Advocate	DOT	1697	jmarshall@dot.state.nh.us
Paveglio	Robin	Deputy Commissioner	Revenue	8481	rpaveglio@rev.state.nh.us
Toumpas	Nick	Program Specialist	HHS	8835	ntoumpas@dhhs.state.nh.us
Phillips	Jeffrey		Fire Academy, Dept. of Safety	2661	jphillips@safety.state.nh.us
<b><u>Mid-Size Agencies</u></b>					
Carlson	Susan	Chief Operating Officer	Environmental Services	1881	scarlson@des.state.nh.us
Bulkley	Craig	Administrator	Liquor Commission	1708	cbulkley@liquor.state.nh.us
<b><u>Smaller Agencies</u></b>					
Dall	Jim	Business Administrator	Veterans Home	527-4400	jim.dall@nhvh.nh.gov
Deschenes	Brian	IT Manager	Treasury	8413	bdeschenes@treasury.state.nh.us
<b><u>OID Representatives</u></b>					
Bolton	Rebecca	IT Manager	OID ASD	7227	rebecca.bolton@oit.nh.gov
Gallerani	Sally	Director	OID Technical Support Services	0929	sally.a.gallerani@oit.nh.gov
Gentley	Scott	Systems Development Specialist	Operations	6421	malcolm.gentley@oit.nh.gov
Labelle (Alternate for Sally G.)	Jeanne	Technical Specialist	OID Technical Support Services	0930	jeanne.m.labelle@oit.nh.gov
O'Neal	John	IT Manager	OID ASD - IHHS	4905	john.oneal@oit.nh.gov
Pare-Curtis	Theresa	Applications Development Director	OID Web Services Division	2812	theresa.pare-curtis@oit.nh.gov

## ATTACHMENT 4

## **A. Staff Alignment - General Support**

Board of Tax & Land Appeals	<ul style="list-style-type: none"><li>• We, like many small agencies, have no one on staff to support our IT needs. Since having limited technical support from OIT the board has received outstanding emergency and non-emergency support. If the board does not have the option of receiving support from OIT in the future, it would be expensive to the state and could negatively impact the services the board provides the citizens of New Hampshire.</li></ul>
Corrections	<ul style="list-style-type: none"><li>• We would like to have the positions returned to the Department. It is critical that the IT resources be fully integrated into the "business" of Corrections. The more our IT resources are knowledgeable and integrated into our business, the greater the level of contribution they will be able to provide.</li><li>• Centralized OIT should be responsible for review/audit of IT projects, statewide infrastructure projects such as network upgrades, topology, next level of tech support, security issues and data protection, and the helpdesk.</li></ul>
Comm. for Human Rights	<ul style="list-style-type: none"><li>• We are not in a position to justify hiring people to take care of our computer system, nor do our staff have the expertise or time to master the skills necessary. Getting people to fulfill these tasks for a small agency like ours is efficient for us.</li></ul>
Education	<ul style="list-style-type: none"><li>• Have not seen the sharing of Developers we thought we would see. Short handed as far as tech support is concerned. Equipment repair is slower than it was without OIT.</li></ul>
Employment Security	<ul style="list-style-type: none"><li>• Key technological areas, such as web development and imaging, where previously NHES had dedicated staff, saw these staff diverted to work on projects for other state agencies although NHES still had a need for their services</li></ul>
Environmental Services	<ul style="list-style-type: none"><li>• Smaller agencies may benefit from centralization and sharing of resources.</li><li>• More advanced agencies should not be expected to close the gap for other agencies or to suffer a deterioration of its services as a result of consolidation.</li><li>• Fully staff an OIT accounting and HR unit within OIT.</li><li>• Have OIT exempted from any hiring freezes. DES accounting and HR departments have spent a great deal of time doing work for OIT employees.</li></ul>
Fish & Game	<ul style="list-style-type: none"><li>• Personnel transferred to OIT appear to be performing exactly as they performed prior to reorganization with a cost increase of 75% each year in the biennium and redundancy in paperwork</li><li>• Additional resources required for IT plans</li><li>• Lack of control over payroll and work and activity reporting may be problematic in future audits</li><li>• Centralization of planning process, oversight of purchases, monitoring contracts and agreements and providing some key centralized staff would be a benefit</li></ul>
Health & Human Svcs.	<ul style="list-style-type: none"><li>• People are shifted to meet needs where they may not have the expertise to do the job.</li></ul>
Highway Safety	<ul style="list-style-type: none"><li>• Recommend an OIT staff person be assigned to work directly with small agencies that do not have full time staff; currently, too many are involved in the process and do not understand the entire process.</li></ul>
Justice	<ul style="list-style-type: none"><li>• Help desk tickets are being responded to, albeit slower than we are comfortable with.</li></ul>

Labor	<ul style="list-style-type: none"> <li>• Core group of IT staff that is dedicated to Labor is required on – site full time and not available to be shared with other agencies; should revert back as to Labor; impact on individuals has been mixed</li> <li>• Duplication of HR staff responsibilities</li> <li>• A pool of IT resources should be created to develop and maintain standards and provide guidance and assistance to agencies when needed; billed back as required</li> </ul>
Licensure & Certification	<ul style="list-style-type: none"> <li>• Recommend decentralize immediately and return IT responsibility to agencies</li> <li>• Joint Board receives no services from OIT but is billed for them</li> </ul>
Liquor	<ul style="list-style-type: none"> <li>• Concerns for the potential loss of personnel and adverse impact on ability to service retail stores and serve customers</li> </ul>
Pub. Employees Labor Relations	<ul style="list-style-type: none"> <li>• Tech assistance rendered during installation or LAN integration efforts has been terrible</li> <li>• Lack of available and affordable IT training</li> </ul>
Transportation	<ul style="list-style-type: none"> <li>• Allocation of resources to other OIT projects has been at the expense of agency software development projects;</li> <li>• Limited ASD staff processes what is requested from business office.</li> </ul>
NH Real Estate Com	<ul style="list-style-type: none"> <li>• The OIT Help Desk is a very good service and should continue.</li> <li>• The timing of assistance can be very lengthy due to number of OIT staff allocated to perform enhancements to web-enabled e-Licensing application. It will be necessary for OIT to increase the support staff for this project.</li> </ul>
Veterans Home	<ul style="list-style-type: none"> <li>• Help Desk support is available Monday - Friday until 4pm.</li> <li>• Has a 24/7 operation. Plans to change the WAN are not shared with us, monitoring is sporadic.</li> </ul>

## **A. Staff Alignment - Applications Personnel**

Admin Services	<ul style="list-style-type: none"><li>• Of IT resources to accommodate the centralization of those functions that benefit from centralization while returning those functions best managed by the agencies back to their direct control. Agencies' application development personnel should be directly responsible to the agency heads that have the primary responsibility under RSA for the delivery of services to our citizens.</li></ul>
Environmental Services	<ul style="list-style-type: none"><li>• Thought should be given to returning agency critical personnel back to the agencies so that we can function without extensive delays. DES has lost administrative control of mission-critical Webmaster position.</li></ul>
Health & Human Svcs.	<ul style="list-style-type: none"><li>• A representative who is part of the department, who understands the business as well as the technology is essential to define short and long-term solutions. Application Development staff should be reintegrated into DHHS. Each agency needs a single point of focus to resolve issues that need escalation.</li></ul>
Justice	<ul style="list-style-type: none"><li>• Move 1 position from OIT back to DOJ to help support ProLaw/FileNet Applications. Concerned about OIT support for ProLaw and FileNet applications. Routine database maintenance is being deferred thus degrading the value of our data each day. (Insurance) From agency perspective, miss being able to make decisions about what OIT personnel do and how they perform their functions</li></ul>
Labor	<ul style="list-style-type: none"><li>• Applications staff develops and maintains applications unique to Labor and OIT impact on them has been negative</li></ul>
Transportation	<ul style="list-style-type: none"><li>• Lost administrative, web development and technical support positions to OIT Central has resulted in a redefinition of many software developer staff responsibilities to that of administrative or client service related tasks and left a shortage of support staff; Added DOT programs for FY06-07, specifically the Traffic Management and Intelligent Transportation Systems require a full-time IT Manager position</li></ul>
Revenue	<ul style="list-style-type: none"><li>• Reduced DRA Embedded Staff Privileges – Recently, OIT required DRA embedded staff to justify DRA tasks and administrative privileges. As a result, OIT determined that most of our embedded staff administrative tasks would be taken over by OIT. This has already been implemented and now our embedded staff has to logon to the server with new names and limited privileges.</li></ul>
Treasury	<ul style="list-style-type: none"><li>• People currently in IT roles also have nested business functions and any attempts to consolidate with OIT would need to be considered carefully.</li></ul>

## **B. Purchasing - Threshold**

Environmental Services  
Veterans Home

- Raise the minimum dollar threshold from \$250 to \$5,000.
- Unreasonable to go through OIT for purchases in excess of \$250.

## **B. Purchasing - Procurement Process**

Banking	<ul style="list-style-type: none"><li>• Have had to expend additional resources justifying the need for upgraded laptops each time a laptop is ordered. Received 'standard' laptops without notice even though a justification for upgraded laptops was completed.</li></ul>
Christa McAuliffe	<ul style="list-style-type: none"><li>• Previous procurement practice worked fine; inclusion of OIT in the process wastes time, tying up both staff and OIT staff on bureaucratic procedures</li></ul>
Corrections	<ul style="list-style-type: none"><li>• A central OIT organization should develop and promulgate technical standards in both software and equipment. There are benefits to standardization to insure compability and the appropriate interfaces between state agencies and applications. OIT should have full responsibility for determining standards.</li><li>• Consolidation has not brought reduction of effort in resources and paperwork. Problems could be resolved by adding resources and system support to Logistics or returning purchasing responsibility to the agencies</li></ul>
Education	<ul style="list-style-type: none"><li>• There are inequities in the purchase or access to certain items.</li></ul>
Environmental Services	<ul style="list-style-type: none"><li>• Clearly define OIT's role in approving/disapproving purchases.</li><li>• OIT should provide technical advice and guidance, not veto power over agency decisions on purchases. The approval process for purchasing both hardware and software needs a complete overhaul. Opinions of OIT personnel override the decision making process of DES management. PDA issue.</li><li>• OIT should provide technical advice and guidance, not veto power over agency decisions on purchases.</li></ul>
Fish & Game	<ul style="list-style-type: none"><li>• It would seem bulk contracting for hardware and software should produce lower per unit costs; unfortunately, prices of "approved" vendors are significantly higher</li></ul>
Health & Human Svcs.	<ul style="list-style-type: none"><li>• Procurement process for standard hardware and software components is problematic due largely to poor communication.</li></ul>
Highway Safety	<ul style="list-style-type: none"><li>• Process is now extremely cumbersome, time consuming, and needs to be streamlined in spite of Purchasing and OIT staff being very responsive</li></ul>
Labor	<ul style="list-style-type: none"><li>• This portion of OIT is the most inefficient and ineffective of all. The process for purchasing IT equipment using the OIT account is inefficient and prone to errors; too many orders are lost or incorrectly conveyed to Purchase &amp; Property</li></ul>
Liquor	<ul style="list-style-type: none"><li>• Logistics unit of OIT has mismanaged many purchase requests; has also impacted relationship with certain vendors who refuse to send up products because of exorbitant delay in receiving payments</li><li>• Logistics lacks a clear understanding on how to obtain software upgrades and support; OIT liaison has spent too many hours auditing these transactions</li></ul>
Pub. Employee Labor Relations	<ul style="list-style-type: none"><li>• List of vendors is short and prices of "approved" vendors are significantly higher.</li></ul>
Transportation	<ul style="list-style-type: none"><li>• Turn-around time; Traceability of requests. Volume of requests within OIT, limited OIT staff, consolidation of orders at P&amp;P, bulk procurements. Delayed generation of P4s and P28; and lost procurements; no way to know status. No comprehensive communication or tracking processes evident; Understaffed. Return to Agency or allocate additional resources within OIT,</li></ul>

establish workflow with timelines, delegate authorizing approvals. Reform within OIT/P&P - Implement a system that provides tracking and promotes communication between groups. Return to Agency - Upon OIT Approval Agency will submit all purchase request forms to P&P.

- Due to a lack of knowledge at the customer and ASD level, the best product is not always identified. A thorough technical review is missed resulting in wrong product's being procured, returns, rework, additional procurements; wasted effort and resources; delays, additional costs; and customer frustration. Reform within OIT - establish central procurement group with technical staff/expertise to perform product configurations and work with agency business and ASD staff. This would provide consistency Statewide on products. Knowledgeable technical staff is not available or staff that did this has been reassigned; lack of product and procurement knowledge at business and/or OIT administrative level; no centralized resource to maximize expertise and prevent incomplete or incorrect procurements; no standard list of questions for different types of procurements to help the less knowledgeable get the right product with all the needed accessories and features; no guidance on when to procure additional product maintenance.

Insurance

- Purchasing of equipment is much more cumbersome, untimely and inaccurate. There are very significant inaccuracies as well. We have not experienced significant problems since the consolidation under OIT except in the areas of Purchasing and Budgeting.

Liquor

- Mismanagement of purchase requests. Requests have been delayed, get things didn't ask for. Takes weeks for corrective action.

NH Real Estate Com

- Purchasing function is an unnecessary service and should remain with each Agency.

Veterans Home

- Extra steps involved in ordering equipment. Time to flow requests through OIT just to access existing contracts negotiated previously by the State has been inefficient. Procurement process is redundant and involves unnecessary steps.
- No specs available for servers, switches, and routers, yet order is denied if attempt to purchase a "non-standard". No training or documentation provided to support these products in-house. (Servers/Routers)



## **B. Purchasing - RFP Administration**

Agriculture

- When we are required to use outside vendors, they need to be carefully screened. There needs to be a way to have the contractors be compelled to perform adequately.

Health & Human Svcs.

- DHHS should own the development, release and evaluation of RFPs.

Insurance

- There were several times where the lead OIT person assigned to help with an RFP was reassigned to other duties.

## **C. Invoicing**

Banking

Education

Environmental Services

Transportation

Postsecondary Education Com

- Billing process for FY05 is a great concern.
- Monthly billings are incomplete and do not provide for us the level of detail needed to properly charge the appropriate program and funding source.
- Funding of OIT continues to be a concern. OIT's lack of adequate documentation for time charged for federal grants put agency at risk of having those costs rejected by the federal agencies.
- Miscommunication and lack of communication regarding Billing
- Don't utilize many services from OIT. One area of concern is the invoicing process. Another system should be put in place to map invoices with work orders/requests.

## **D. Integration / Coordination**

Agriculture	<ul style="list-style-type: none"><li>• Major problem has been getting attention and sound information.</li></ul>
Banking	<ul style="list-style-type: none"><li>• Concerned about the amount of time spent out of the office at OIT meetings/attending to OIT administrative functions.</li></ul>
Christa McAuliffe	<ul style="list-style-type: none"><li>• Would work better if state IT office took back its old role of leadership, setting policies and guidelines and assisting state agencies to develop plans, and let state agency IT folks care of details of their own agencies' IT needs</li></ul>
Corrections	<ul style="list-style-type: none"><li>• Another major contributor to the mounting frustration is that communication of status of purchases is often nonexistent.</li></ul>
Education	<ul style="list-style-type: none"><li>• There is confusion over the level of supervisory authority the DoE has over OIT personnel located at Doe. The system has broken the employer/employee relationship at the DoE.</li></ul>
Environmental Services	<ul style="list-style-type: none"><li>• Effects suffered by larger agencies include added inefficiencies, overly cumbersome software and hardware acquisitions processes, loss of control with dedicated personnel, and increase in overhead costs borne by agencies, and deteriorating online services to the public via agency Web site. Roles are poorly defined and there exists a lack of communication and assessment among the various interested parties using the current IT systems.</li></ul>
Health & Human Svcs.	<ul style="list-style-type: none"><li>• DHHS cannot hold OIT accountable in any substantive way as they would with an external contractor. No structural incentive within OIT for a focus on quality. OIT's focus is on operations and funding. OIT should create service level agreements to establish baseline expectations.</li></ul>
Licensure & Certification	<ul style="list-style-type: none"><li>• OIT took steps to dissolve a contract that provides valuable service without input of the users; required staff of affected agencies to become extremely pro-active with OIT or the on-line program would have ceased to function</li></ul>
Pub. Employee Labor Relations	<ul style="list-style-type: none"><li>• There needs to be a better understanding of what this agency can reasonably expect in the level of support it receives from OIT and its help desk</li><li>• Who has responsibility to assist with allowing employees to access LAN outside the office</li></ul>
Transportation	<ul style="list-style-type: none"><li>• OIT Customer Relations Management (CRM) is Not managing Agency IT training customer relationships; No visible Agency outreach to address training needs; Very little visible Agency training support; limited staff growth involvement. Lack of clear definition on service level training support to Agencies, lack of clear definition of training duties and accountabilities, lack of a clear training strategic direction/plan. Mid-level OIT managers can't look up information about own employees; anniversary dates are missed; performance evaluations are missed; no one is looking out for part time employees who should be paid leave; general email for HR questions does not best support the sensitive needs of HR requests</li><li>• Different OIT person responsible for server management depending on type of server and content which limits big picture dialogue, review, decisions, and management. No representative to contact or provide oversight over related tasks in different groups; lack of manager interaction for different locations</li></ul>
Revenue	<ul style="list-style-type: none"><li>• Lack of OIT Communication - OIT frequently makes system changes without notifying DRA in Advance such as unexplained</li></ul>

folder permission changes, OIT initiated computer and server name changes which disrupts agency business, OIT decided we need to change our computer naming policy to fit theirs,

- Windows Security – Prior to the establishment of OIT, DRA had a server that managed every PC to make sure it had the latest and greatest windows security patches; we would approve the updates to the server and every day the server would send out the updates to the PCs that needed them. When we experienced a significant virus issue last year, OIT shut down this DRA Windows Security feature. Now when OIT initiates an update, our embedded staff must physically touch every PC to perform the update. It is a very long and cumbersome project.
- SPAM – before OIT, DRA never had a single piece of SPAM. Now, it is common to have 10-30 pieces of SPAM in mailboxes per day, even more depending what OIT distribution lists you are on; adding the Ironmail component was a solution that OIT had to implement to correct a problem that it appears they caused.

#### Insurance

- Want to be kept informed when OIT is initiating any new procedures that will effect how and what we purchase, address security issues, and how we handle application or development requests and procedures. Budgeted OIT costs not spent by the end of the fiscal year lapse into the General Fund. Any other line item(s) not spent down are returned to the Insurance Industry by lowering the statutory assessment on the industry

#### Veterans Home

- Documents/Forms not available electronically and are hard to find. The process for IT planning changes with each biennium, the forms, layout, and process are completely revamped.